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**Legislative Assembly
of Ontario**

First Session, 36th Parliament

**Assemblée législative
de l'Ontario**

Première session, 36^e législature

**Official Report
of Debates
(Hansard)**

Tuesday 14 November 1995

**Journal
des débats
(Hansard)**

Mardi 14 novembre 1995

**Standing committee on
estimates**

**Comité permanent des
budgets des dépenses**

Organization

Organisation



Chair: Alvin Curling
Clerk: Tannis Manikel

Président : Alvin Curling
Greffière : Tannis Manikel

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 14 November 1995

Mardi 14 novembre 1995

The committee met at 1537 in committee room 2.

ELECTION OF CHAIR

Clerk Pro Tem (Mr Franco Carrozza): Good afternoon, ladies and gentlemen. My name is Franco Carrozza. I am the clerk pro tem. The regular clerk, Tannis Manikel, is not available so I will conduct the election of the Chair of the committee. I will open the floor for nominations for the position of the Chair. Are there any nominations?

Mr John C. Cleary (Cornwall): I'll nominate Alvin Curling.

Clerk Pro Tem: Mr Curling is nominated. Any other nominations? There being no other nominations, I will call Mr Curling to take the chair as elected Chair of the standing committee on estimates.

The Chair (Mr Alvin Curling): Thank you very much for that unanimous support given by all my colleagues here from all three parties.

ELECTION OF VICE-CHAIR

The Chair: I think the first duty as a Chair without a Vice-Chair is to move that it's my duty to call upon the election of the Vice-Chair. I will now receive nominations for the Vice-Chair of the committee.

Mr Michael A. Brown (Algoma-Manitoulin): Mr Chair, congratulations on your election. I would like to place in nomination the name of Joe Cordiano.

The Chair: Mr Joe Cordiano has been nominated for Vice-Chair. Are there any further nominations? There seem to be no further nominations. Then I declare that Mr Joe Cordiano be elected as Vice-Chair.

APPOINTMENT OF SUBCOMMITTEE

The Chair: Now I think that we should move down to the election of the subcommittee for the standing committee on estimates.

Clerk Pro Tem: A copy of that is behind the agenda.

The Chair: Do I read it?

Clerk Pro Tem: Let's get the nominations first. The chair is Mr Curling.

The Chair: The nominations for the subcommittee are now open. I think the process is to have one member from each caucus on that subcommittee. Any nominations? Will I start from the official opposition maybe?

Mr Michael Brown: Mr Chair, can we just use this motion that we have?

Clerk Pro Tem: Yes.

Mr Michael Brown: Do we know who the government—

Interjection: I'd like to nominate Tony Clement.

The Chair: Tony Clement has been nominated from the government as a representative on the subcommittee.

Mr Michael Brown: Do you want me to read this?

Clerk Pro Tem: Let's choose the nominations so that you can read it all together.

Mr Michael Brown: I think we know it's Mr Martin, Mr Cleary and Mr Clement, and Mr Curling as the chair.

Clerk Pro Tem: Mr Martin, are you the one who's nominated for—

Mr Tony Martin (Sault Ste Marie): I've got to do the thing, the dirty job, yes. It's a dirty job, but it's got to be done.

Clerk Pro Tem: Okay. Read it into the record then.

Mr Michael Brown: Mr Chair, I move that a subcommittee on committee business be appointed to meet from time to time at the call of the chair or at the request of any member thereof to consider and report to the committee on the business of the committee; that substitution be permitted on the subcommittee; that the presence of all members of the subcommittee is necessary to constitute a quorum; and that the subcommittee be composed of the following members: Mr Curling, chair, Mr Martin, Mr Cleary and Mr Clement; and that any subcommittee member may designate a substitute member on the subcommittee who is of the same recognized party and a member of the committee.

The Chair: Shall the motion carry? Carried.

COMMITTEE BUSINESS

The Chair: Maybe I should ask the clerk to bring you up to date on where we are now in regard to estimates.

Clerk Pro Tem: Today the matter stands that the estimates were introduced in the Legislature two weeks ago, I believe it was on October 25. The committees were established on November 2. This was the earliest we could meet, which we have. I have provided every one of you a copy of the relevant standing orders to this committee.

If you were to look at 62(a), if I could read that, the relevant lines are the last two lines, that "the estimates considered pursuant to standing orders 59 and 61" be reported "not later than the third Thursday in November of each calendar year," which means that this Thursday, which is November 16, the estimates presented to this committee would be deemed to be reported back to the Legislature. In reality, that means that you really don't have an opportunity to review them.

There are really two options to this. One option would be that the committee recommends that each representative from each party requests, through their House leader, that the committee proceed to meet notwithstanding 62(b). That's the first option.

The second option is that I've provided you with a motion—that's on the last two pages—of a similar situation to ours that occurred in 1990, where the previous government was defeated at an election and the estimates were not dealt with by the committee, but the government that was elected moved in the Legislature—if you can read the last page from the votes, you will see that they made arrangements for us, set a precedent, if I may use that, where they chose for the committee specific estimates for us to review. In a way, that kept the estimates process alive but shorter.

So those are the two options that the committee should consider and it's my duty to bring to your attention.

Mr Morley Kells (Etobicoke-Lakeshore): What was the significance of March 18?

Clerk Pro Tem: March 18?

Mr Kells: In the motion there, the sample motion that you read. Is it just a date they picked?

The Chair: I think yes.

Clerk Pro Tem: Usually what happens is that, for instance, our winter session ends the second or third week in December, and there was an opportunity to meet—

Mr Kells: I understand that.

Clerk Pro Tem: —during the in between process.

Mr Kells: So you have to find the specific date though. If you're going to use this alternative, you have to have a specific date.

Clerk Pro Tem: That's right. For instance, in your consideration, you should consider also—for instance, the option would be similar to this. If you were to meet in between the session, request two weeks, let us say, you could request the exact dates that the House leader could consider to give you.

Mr Kells: I have my answer.

The Chair: I think the advice that the clerk has given us is sound. I think the decision would then have to be, if I suggest, taken back to the House leaders, because they themselves would have some of the dates on which it was appropriate to meet between now and then, whether it's March, whatever the date is, or beyond that. So I think that the clerk is saying that that's a direction you could do each, if you go back to your House leaders and ask for that extension of time. Or else the alternative is that, on Thursday, estimates cease to be reviewed, because that is required by the process here. Am I hearing that? Do we need, Mr Clerk, a motion in that sense? Someone should move a motion?

Clerk Pro Tem: You can move a motion directing the three whips of the committee to go back to their own, or as a consensus, agree that it should be done. Either way would be fine.

The Chair: Let me go back to the consensus process then. Is it agreed that that's the process you'll use? On your side, from the government, you'll go back to your

House leader, and the third party and also the opposition, getting back to the House leaders whether or not you need extended time to review the estimates.

Mr Cleary: Mr Chairman, are we going to ask for two weeks? Is that what we're going to ask for?

The Chair: I would say let the House leaders review—

Mr Cleary: But we should suggest something.

The Chair: You could suggest if you want. I have no objection to that.

Clerk Pro Tem: We do have some time to meet before Christmas. For instance, we meet regularly every Tuesday and every Wednesday. They are the 21st and 22nd of this month, including the 28th and 29th, and it would be December 5 and 6. I'm not quite sure, do you wish to meet during the week that the House proposes to recess? There are six weeks there. The maximum would be six days, but the minimum, realistically, could be only the 28th and 29th and the 5th and 6th, because you will require some time for the ministry to prepare itself to appear before this committee. So at least a week's notice should be given to the ministry, once it has been chosen. Realistically, those are the days to be suggested, the 28th and 29th and the 5th and 6th.

Mr Tony Clement (Brampton South): Are we going back to our House leaders both on the issue of timing and on the issue of the ministries that are to be selected, or are we going to decide the ministries today with a view to figuring out the timing once we talk to the House leaders?

The Chair: You can do two things today. You can select the ministries that you'd like to come before us. That, as we said, should be done today. We have until Thursday to do all of that, which is impossible. Then the next instruction, which I'm asking consensus on, is that you go to your respective House leaders for the time.

Mr Clement: Very well.

1550

The Chair: The first aspect of it would be what ministries' estimates we'd like to come before us. Having that, the other decision would have to be made wherein you seek those decisions from your House leader, and that direction will be then presented here.

Mr Gilles Bisson (Cochrane South): I just want to be clear on what you're saying, Mr Chair. Are you suggesting that we defer the selection of what ministries we hear until the first decision is made? Is that what you're saying?

The Chair: No, no. I'm saying you can make a decision of what estimates could come before us today, and I'm saying that by the rules here, Thursday would be the day we would have done all that. It's impractical, so we're asking each party to go back to their House leader, and among themselves, the three House leaders, to determine what extended time would be given for estimates.

Mr Bisson: That's right, but not the selection of what ministries, because that's clearly the choice of this committee, not of the House leaders. I thought that's what you were suggesting.

Clerk Pro Tem: You're spending 15 hours on a very specific—you can choose that now.

Mr Michael Brown: So I understand, the suggestion we're making here this afternoon is that we proceed with a motion similar to the one Ms Martel made to the Legislature? Is that what is being suggested, that each party goes back and talks to the House leader about?

The Chair: My understanding is that if we do the one that Ms Martel had done, it would be a little difficult for the time. You can do that by putting a time on it, but I thought the House leaders would be in a better position to talk about the time, whether it goes—

Mr Michael Brown: The one that Ms Martel had placed and is the precedent here was just the reporting of the estimates to the Legislature. That's all her motion essentially does.

The Chair: That's right.

Mr Michael Brown: We can determine what other time; that can all be arranged by the House leaders independent of that. I think Mr Kells made the point that this just gives a specific date in her resolution that probably isn't appropriate under our circumstance, and that the House leaders would have to decide that date.

Clerk Pro Tem: The problem here really is that as of Thursday afternoon, the estimates are going to be deemed to be reported.

Mr Michael Brown: Yes, exactly.

Clerk Pro Tem: However, there is an option you have here to recommend a similar motion to Ms Martel's. You are quite right; the dates do not match our dates.

Mr Michael Brown: So the suggestion, then, just so that we're all clear, is we go back and ask our House leaders to proceed with a similar motion to Ms Martel's motion of back in 1991 or 1990 and that they arrive at the appropriate dates and that we then ask the House leaders if they will go forward with a similar motion with the appropriate dates.

The Chair: I think there are two things before us: whether or not the extended time will be given, and, if the extended time is given, what day that would be.

Mr Michael Brown: Yes, exactly. But I just read Ms Martel's motion, which seems to indicate that. It's an awful thing around here if we all go back and ask our House leader to do a slightly different thing and we end up with mass confusion. So if what we're intending to do is use the motion that is printed here, only with different dates, then ask our House leaders to go forward with that, I'm sure those very capable people can come up with the appropriate dates.

Clerk Pro Tem: But you can also assist them if you choose your ministries.

Mr Michael Brown: Oh, well, we can do more than that. But it's just to get by this particular stage; then we can talk about the ministries.

The Chair: I think what I hear Mr Brown saying, first, as I said, is we can select the ministries that will come before us for the committee, and then in order to assist the House leaders, if you care, that we put a date in here so that they are very precise that the committee

has already agreed that, "Yes, we'd like to see estimates done on certain ministries, and these are the ministries," and furthermore that the suggested date would be whatever—March 8, 9, 10, what have you—so they are very clear in where this committee is going, that we know the ministries and we have a specific time. They do have the power to say, "Well, it will not be March 9, as suggested by you, but it will be March 20," whatever it would be.

So could we proceed in this respect: One, we select the ministries that we'd like to come before us in estimates; and having done that, we will then present this motion, which we ask you to take back to your House leaders to agree upon maybe in a House leaders' meeting.

Mr Martin: Franco had also mentioned some dates, some specific dates that—

Clerk Pro Tem: Yes. Well, these are just for your consideration, but it was assumed that—

Mr Martin: What were those dates?

Clerk Pro Tem: The dates that we still could meet, the earliest would be November 28, which is Tuesday, and Wednesday the 29th, and December 5, which is Tuesday, and Wednesday the 6th. That's four dates, approximately 10 hours, because we usually meet from 3:30 to 6 o'clock, so it's five hours a week.

Mr Martin: Okay, and we can't go any further into December than that?

Clerk Pro Tem: The House is supposed to prorogue, or adjourn, on the—14th, is it?

Mr Martin: The 15th.

Clerk Pro Tem: The 15th, which is a Friday. Usually it would be the 14th.

Mr Martin: Thursday.

Mr Bisson: But that would allow us basically one ministry. We have time to do basically one ministry before the sessional break.

Clerk Pro Tem: That's 10 hours. You could conceivably do one and a half, if you choose six hours for one and—

Mr Bisson: Or 10. But the rule—just to proclaim, just so I can rule out—is 10—

Clerk Pro Tem: The rule is, if you choose one ministry, it's not more than 15. If you choose a ministry and an office or two ministries, divide the time as you wish, but not more than 15.

The Chair: So can we proceed now to choose two or whatever ministries that would come before the committee? Any suggestions?

Mr Bisson: Let's start the rotation.

The Chair: Let me ask the official opposition then, what ministries are we considering?

Mr Joseph Cordiano (Lawrence): We haven't discussed this at great length, have we?

Interjections.

The Chair: Do you want me to ask for a—

Mr Cordiano: Yes.

The Chair: Can I ask for five minutes?

Clerk Pro Tem: Do you wish to recess?

The Chair: Are you all ready?

Interjections.

Mr Cleary: Education and Training.

The Chair: The Ministry of Education and Training.

Clerk Pro Tem: How much time for that?

Mr Cleary: Are we going to get—they're going to go around? Are they coming back to us then?

Clerk Pro Tem: Only one? So it's 15 hours?

Mr Cleary: We could give you two, but we thought you were going to go around again.

Clerk Pro Tem: No, no, you can choose two, but—

Mr Cleary: Transportation. Education and Training and Transportation.

Clerk Pro Tem: And what time for each one?

Mr Cordiano: What time for each one?

Clerk Pro Tem: Yes, how much time do you want for each ministry?

Mr Cordiano: As much time as we can get.

Clerk Pro Tem: No, no, not more than 15.

Mr Cordiano: Don't ask questions like that.

Mr Clement: Are you going to split them 50-50, or do you want to weight one more than the other?

Clerk Pro Tem: Seven and a half hours each?

Mr Kells: Franco, it says two rounds.

The Chair: It's 15 hours—

Clerk Pro Tem: They can choose two ministries, but they cannot use more than 15 hours.

Interjection: So they get the second round?

Mr Cordiano: Let's be clear: 15 hours is our allocated pick.

Interjections.

The Chair: Order.

Mr Frank Sheehan (Lincoln): Mr Chair, a point of order. Clarification or order, I don't know which.

The Chair: Okay, go ahead.

Mr Sheehan: Is that the process of selecting which ministry you were to select? It went one, one, one to each ministry, not one party pick two at the same time and the next party pick two and the last party pick two. The impression I had was that one party would pick one, they'd go to the next party and pick one, go to the third party to pick one, and then back through the process.

Clerk Pro Tem: To answer your question, sir: If you were to look at standing order 59(b)(ii)—

Mr Sheehan: What page is that?

Clerk Pro Tem: On the first page of the standing orders that I've provided for you.

Mr Sheehan: Part (ii)?

Clerk Pro Tem: Order 59(b)(ii), "In each round, the members of each party may choose the estimates of one or two ministries or offices to be considered."

Mr Sheehan: So it is the choice of the committee whether they pick one or two?

Clerk Pro Tem: It's their choice.

Mr Sheehan: No, it's the committee, I would think, not one party.

Mr Cleary: You'll get your share.

Mr Sheehan: No, it's just—

Clerk Pro Tem: It cannot be more than 15—

Mr Sheehan: —I've got a problem with the term that it says may pick "one or two ministries."

Clerk Pro Tem: For each round.

Mr Sheehan: All right. We're only doing two ministries, though.

Clerk Pro Tem: For each round you can choose two.

Mr Martin: As a point of order, then, now that the opposition have chosen two, they don't get a second round, is that correct?

Clerk Pro Tem: This is the second round.

Mr Martin: I'm sorry?

Interjections.

The Chair: Could we have some order, please, for an explanation.

Clerk Pro Tem: This is considered a round.

1600

Mr Clement: Mr Chair, that makes no sense. If they get a second round, that means they get to choose four ministries rather than two ministries.

Interjections.

Mr Kells: We understand that. The point was that if you're only going to choose six and we're going to have two rounds, it should be one and then one. That was all.

Clerk Pro Tem: That's the rule.

Mr Kells: Oh, I fully understand the rules.

Clerk Pro Tem: The key is the 15 hours. You see, if they choose two, they cannot be 15 and 15.

Mr Kells: Okay. It's not worth arguing over.

Mr Sheehan: I think the point is, though, that you get to pick two at one time if you're selecting up to 12 ministries. In this case we're only selecting six ministries; therefore there should be only one, in equity.

Clerk Pro Tem: No. But there are two rounds.

Mr Kells: Well, I just asked.

Mr Cleary: Mr Chairman, I'd be prepared to withdraw my motion and just pick one and if they want to go around in circles, it's fine with me. I have no problem with that. The other thing I think we should decide is how many hours we'll give for each one.

Clerk Pro Tem: Why would we choose one? It's 15 hours. The standing order says that.

The Chair: May we just explain this? It's very confusing. If you pick one only, it's 15 hours. The time estimated for estimates is 15 hours. If you pick two, the two ministries will be divided into seven and a half and seven and a half. So whether or not the individual picks one or two now, it doesn't matter.

Interjections.

The Chair: May I just complete? Mr Cleary has indicated is he's prepared, if you want to make it simple,

that he'll pick one, we go around, and he'll pick another when he comes around. So you said the Ministry of Transportation, the Ministry of Education and Training.

Mr Cleary: Education and Training first.

The Chair: Okay. May I just—

Mr Bisson: It's very simple: the Ministry of Community and Social Services.

The Chair: Okay. The Ministry of Community and Social Services.

Mr Clement: Our go? Housing.

The Chair: Ministry of Housing. Are there any other ministries that you want to—

Clerk Pro Tem: It's now the second round.

Mr Cleary: Transportation.

The Chair: Is there a second pick in the third party?

Mr Martin: Health.

The Chair: Is there a second pick, if you so wish?

Mr Clement: We're going for Economic Development, Trade and Tourism.

Mr Bisson: Right on. That was my third choice.

Mr Clement: All right. There we go. We're set.

Interjections.

The Chair: Order. What we have before us now, we have six ministries to be considered.

Interjections.

The Chair: Could we get some order, please. We have six ministries at 15 hours each.

Mr Cleary: Fifteen hours each?

The Chair: Yes. The process of it all is that we will inform the members and the ministry that they will be requested to come before the estimates, which is six ministries that we have here now.

Interjection.

The Chair: No, that is established. The next thing that we'll do is whether or not we have the time. We haven't got the time to do this because it expires on Thursday and there's not adequate time. The next move is to then request the direction, or you're so directed, or to ask the House leaders to consider a motion that was almost similar to what Ms Martel had moved in 1990, extending the time to 1991. The days that were put

forward by the clerk as we look when the House recesses in December were, I think—

Clerk Pro Tem: November 28 and 29 and December 5 and 6.

The Chair: November 28 and 29, and December 5 and 6—

Clerk Pro Tem: To begin our work.

The Chair: —and then we continue beyond that. Do we have a March date?

Clerk Pro Tem: Yes. They will decide when to give it to us.

The Chair: We'll leave the March date available for them to make that decision. This is the House leaders.

Mr Clement: Is it possible, just thinking ahead, if perchance the House sits an extra week—I'm speaking of in December—would that give us another opportunity?

The Chair: Sure it would, but that then would be decided if the House leaders decided the House would sit beyond that date.

Mr Cordiano: You can lobby them.

Mr Bisson: If we want, we can also ask to sit after the session.

The Chair: What we should have done before is introduce all the parties here. Ray McLellan, legislative research, has been around a long time, not too long really, but quite knowledgeable; and Steve Poelking, another research officer.

Clerk Pro Tem: They will provide research material regarding these votes, if you so require. If you have any requests, make them through the Chair, and the Chair will authorize the researcher to provide that information for you.

The Chair: Are there any other matters that you'd like to discuss, any business that you'd like to discuss while we're here, before we adjourn?

Mr Bisson: I just want to say, Mr Chair, you've done a wonderful job.

The Chair: I expect you to make it much easier for me.

We will not be meeting until you're so advised. You'll be advised, but tomorrow there won't be a meeting.

The committee adjourned at 1607.

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STANDING COMMITTEE ON ESTIMATES

***Chair / Président:** Curling, Alvin (Scarborough North / -Nord L)

***Vice-Chair / Vice-Président:** Cordiano, Joseph (Lawrence L)

*Barrett, Toby (Norfolk PC)

*Bisson, Gilles (Cochrane South / -Sud ND)

*Brown, Jim (Scarborough West / -Ouest PC)

*Brown, Michael A. (Algoma-Manitoulin L)

*Cleary, John C. (Cornwall L)

*Clement, Tony (Brampton South / -Sud PC)

*Kells, Morley (Etobicoke-Lakeshore PC)

*Martin, Tony (Sault Ste Marie ND)

*Rollins, E. J. Douglas (Quinte PC)

*Ross, Lillian (Mrs) (Hamilton West / -Ouest PC)

*Sheehan, Frank (Lincoln PC)

*Wettlaufer, Wayne (Kitchener PC)

**In attendance / présents*

Clerk pro tem/ Greffière par intérim: Carrozza, Franco

Staff / Personnel:

McLellan, Ray, research officer, Legislative Research Service

Poelking, Steve, research officer, Legislative Research Service



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First Session, 36th Parliament

Assemblée législative de l'Ontario

Première session, 36^e législature

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Journal des débats (Hansard)

Mardi 12 décembre 1995

**Standing committee on
estimates**

**Comité permanent des
budgets des dépenses**

Ministry of Education and Training

Ministère de l'Éducation
et de la Formation



Chair: Alvin Curling
Clerk: Tannis Manikel

Président : Alvin Curling
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
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Tuesday 12 December 1995

Mardi 12 décembre 1995

The committee met at 1547 in committee room 2.

ELECTION OF ACTING CHAIR

Clerk Pro Tem (Mr Franco Carrozza): Ladies and gentlemen, Mr Cordiano is not available today. It is my duty to call upon you to elect an acting Chair for today. Mr Clement.

Mr Tony Clement (Brampton South): Mr Clerk, pursuant to that requirement, I would like to nominate Mr Ramsay to be pro tem Chair for today.

Clerk Pro Tem: Thank you. Any other nominations? Seconded by Mr Cleary. There being no other nomination, I declare Mr Ramsay elected Chair pro tem for today.

SUBCOMMITTEE REPORT

The Acting Chair (Mr David Ramsay): Now seeing a quorum, we will begin estimates. But our first order of the day is the presentation and adoption of the report of the subcommittee. Is there a mover for the subcommittee?

Mr Clement: I would so move. Do you want to discuss it first or have people read it?

Clerk Pro Tem: The copy was given to all the members two weeks ago. If you wish to move it into the record, please, Mr Clement.

Mr Clement: I would so move.

The Acting Chair: Everyone in favour of the subcommittee report? Carried.

ESTIMATES,

MINISTRY OF EDUCATION AND TRAINING

The Acting Chair: Then we'll move into estimates of the Ministry of Education and Training and we go to votes 1101 to 1103. We would like to welcome the minister to the committee today.

Hon John Snobelen (Minister of Education and Training): Thank you, Mr Chair, members of the estimates committee. I'm very pleased to have this opportunity to discuss the Ministry of Education and Training and its commitment to developing an education system that's based on excellence in student achievement and accountability to all Ontario taxpayers and to developing a training system that is geared to Ontario's needs for economic renewal.

In short, I'm talking about affordability, accountability and quality in the public education and training system. We want a system that is transparent, that will let the public clearly see what we're doing, how we're doing it and what results we're getting.

As my colleague Mr Eves pointed out in his economic statement, Ontario taxpayers have told us what they want.

They want a secure and prosperous future for their children and they want schools where children actually learn.

At the Ministry of Education and Training, our priorities should be as much about preparing our young people for the future as they are about preparing the future for our young people.

We are in the knowledge age. By the end of the century, our province will need very different types of workers than it does today and it's up to our education system to prepare our youth for that future.

But just as important as preparing our children for the future, we must not burden them with a mortgaged future. The system must be reformed, but this must be done within the fiscal realities which have been forced upon us by a decade of overspending.

And so I want to talk for a few minutes about accountability. In plain language, we're talking about being responsible for what we do and being answerable to the citizens of Ontario who carry the load and pay the freight.

For too long, Ontario has been spending beyond its means. Mr Eves spelled out the harsh realities of our situation. In the last 10 years, government spending has almost doubled while accumulated debt has almost tripled. We are spending enormous amounts of money just carrying the debt. In fact, right now, Ontario's interest bill translates into almost \$800 a year for every man, woman and child in Ontario. As a result of the fiscal situation it inherited, this government spends \$1 million an hour more than it receives in revenues.

That enormous debt is unfair to our young people who would be burdened with paying it off. It is unfair because, if not reduced, in 10 or 15 years that huge debt would force the government of the day to eliminate many of the social programs that we enjoy today. So the younger generation would be betrayed on two counts.

Except that we're not going to allow that to happen. The government's first priority, therefore, is to get the province back on track financially. We must reduce Ontario's crushing debt so that we can improve the climate for job creation. It is only with a healthy economy that we can achieve the growth necessary to protect essential services.

Education is an essential service. But there is still money to be saved in the way we deliver it, and we will save that money.

In his economic statement, Mr Eves announced a reduction of \$400 million to school boards for 1996-97,

which means they will receive \$4.04 billion. This reduction represents 3% of the total cost of operating Ontario's schools.

In 1996-97, transfers to universities will be approximately \$1.5 billion, a reduction of \$280 million. Transfers to colleges for the same period will be \$689 million, a reduction of some \$120 million.

We believe that we can protect the quality of classroom-based education while reducing the overall cost of the education system. And we are happy to note that we are not alone in this opinion. In a November 30 news release, the president of the Ontario Public School Boards' Association was quoted as saying, and I quote, "Extracting \$400 million from the elementary and secondary education system is a formidable challenge, but school boards must meet that challenge and continue their work in providing quality programs for our children at the best price for the property taxpayer."

The president of OPSBA then emphasized the importance of collaboration by saying, and I quote: "We have an obligation to our children to ensure the best quality education but to also work responsibly with the provincial government to ensure they do not inherit an overwhelming debt. The Ontario Public School Boards' Association will continue to work in partnership with its partners and the government to find cost-saving measures."

These are very encouraging sentiments, considering how urgently we need to reduce our spending on education. My ministry spends \$9.174 billion a year to support education operating and capital requirements in this province.

You will note this figure is different than the printed estimates. The reason for the difference is the number has been updated to exclude the July 21 reductions and include the ministry's loan-based capital for schools, universities and colleges. As this capital was loan-based at the beginning of the year, it was not included in my ministry's estimates.

Of that \$9.174 billion, 98.2% is paid out in transfer payments. Those operating and capital transfer payments amount to \$9.009 billion.

Let me point out a few more financial facts. From 1985 to 1995, enrolment in Ontario schools increased by 16.5%. For the same period, the general legislative grants from the government to the boards increased by 39.2%. But school board operating costs increased by 82.3%.

Or how about these figures? In 1994-95, Ontario spent \$600 more per student than the average of all the other provinces. With more than two million students enrolled in elementary and secondary schools, that adds up to \$1.3 billion annually that Ontario spends above that per-student average. Furthermore, there's a wide variance among school boards in Ontario in their spending on administration.

We support investing money in student learning but we must insist that money spent on administration and bureaucracies be cut to what's needed to support student learning, and no more.

We intend to make the education system more accountable. And we must make sure the resources we have are well deployed and efficiently used.

As you know, the Ontario School Board Reduction Task Force, headed by John Sweeney, is currently in the process of examining the structure of our school board system to determine if we can achieve cost savings through the amalgamation of boards. Mr Sweeney will provide a final report to me by the end of the year.

Whatever the report indicates, let me be clear that we will bring about savings by working with trustees so that boards share resources and use those resources wisely and prudently with a view to achieving savings for the taxpayers in this province.

We must also seriously consider the number of, and compensation for, school board trustees. The Sweeney report will give us guidance in this regard.

Although some cooperation is under way now—and we applaud the efforts of those boards that are working to reduce duplication—we know there is far more that can be done by school boards in this province.

The taxpaying public has told us that they want better value for their tax dollars, and the education system can certainly improve in this area. The public, however, is not willing to settle for a second-best system. They want to know that we are providing a first-class education to our young people. They want a highly educated and well-trained workforce that is ready to meet the challenges of the new economy.

That will mean updating technology in our schools and closing the gap between students who are exposed to technology outside the classroom and those who are not.

The taxpaying public has told us they want clear accountability through testing and public reporting of results. They want to be assured that our teachers get the best possible professional development throughout their careers. I will have more to say about this later when I outline our plans for a self-funded Ontario College of Teachers.

We are going to deliver on these needs expressed by the public. And we believe we can do it with a leaner, more efficient education system.

The people of Ontario have told us that they want an end to political turf battles. They've told us they want government at all levels to act more like partners than political adversaries. We are prepared to do so because we believe it's the only way we can pull the province out of the financial mess it's currently in.

We believe spending reductions must be resolved by the school boards and the ministry working together. We know that many people involved with education have already given some thought to how things could work in the future, and my parliamentary assistants and I have heard some very creative ideas.

We are particularly encouraged by the fact that groups such as the Metro Toronto school boards, the Ontario Public School Boards' Association and the Secondary School Teachers' Federation have outlined ways that major savings could be made.

In its report *Removing the Barriers to Cost-Effective Education*, the Ontario Public School Boards' Association has suggested things like allowing school boards to use other professionals in the schools in such areas as

recreation or school libraries, allowing school boards to determine the timing of the school day in accordance with community needs, and phasing out retirement gratuities.

We should work together with boards, associations and employee groups to review all possible avenues for administrative cost savings.

We also want to work closely with my ministry's education partners to make sure they have the tools they need to implement the necessary reductions. With regard to school boards, we hope to make an announcement in January about final decisions for expenditure reductions. This will give us time to hear a variety of views and ideas from across the province.

We are deeply committed to an education system that delivers excellence.

We said in the Common Sense Revolution that, "Education reform is essential if Ontario's next generation is to find high-paying, productive jobs in increasingly competitive world markets." We believe this is true now more than ever.

In response to this need, my ministry is making progress. I would like to briefly touch on some of the reforms we have under way, reforms that have at their core accountability, affordability and quality.

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Recently, we announced major reforms to our secondary school program that will make it more relevant to the needs of students and of the businesses that will hire them when they have completed their education.

As we promised in the Common Sense Revolution and as supported by the previous government, we will bring our secondary school graduation requirements in line with other school systems throughout Canada and the rest of the world so that students can complete high school in four years. This will be implemented beginning with students entering grade 9 in 1997.

As the Royal Commission on Learning pointed out, there is no evidence to suggest that an extra year of high school results in better student achievement. Current graduation requirements will be revised to reflect the move to a four-year system.

We will maintain our standards for university-bound students, but will put more emphasis on meeting the needs of the 70% of students who are not going on to university. We will develop clear course requirements for those students who choose to go to college or to go directly to work.

We will expand co-op and work experience programs to give students more insight into possible career choices. We will introduce a formal transition-to-work training program in partnership with local employers.

We will also make changes and improvements to our guidance counselling system so that students will have the best career and education information available to enable them to make informed choices about their careers and futures.

My ministry will work with an external advisory committee to implement these changes in the secondary

school system. Members will include parents, educators and representatives from colleges, universities, businesses and the broader community.

There are a number of other education reform initiatives which I will touch on briefly.

The Ontario College of Teachers, which we announced two weeks ago, will oversee and ensure the continued professional development of our teachers. The establishment of a college of teachers is designed for teachers, but it will also be valuable to our taxpayers and students. It is yet another way of making our education system more accountable and professional.

All partners in our system have the knowledge that there are supports in place so that educators can continue to be as current as possible in the classrooms and in leadership roles in education. Teachers have told me that they need and want this for their own self-development.

Through the college, students, parents and taxpayers will know what standards of performance to expect from teachers and how teachers are conducting their own professional development. The college will go a long way in contributing to excellence in teaching, which is one of the most basic requirements for overall excellence in education.

We are delivering on a concept that has been recommended by the Royal Commission on Learning and the Hall-Dennis report of some 25 years ago, as well as being recognized by the previous government as an important initiative.

It will be an independent, self-funding, professional college of teachers that will ensure excellence in teaching and improve accountability as well as confidence in the public education system. It will set out clear standards of practice and a framework of career-long professional learning for teachers.

The proposed structure and mandate of the college are consistent with other professional, self-regulating bodies, such as those for nurses, doctors, lawyers and chartered accountants.

Accountability will be enhanced by the requirement for public representation on the college's governing council and all committees, as well as by regular reporting to the minister and college members.

My government also announced in November that we will introduce comprehensive testing through an independent agency, the Education Quality and Accountability Office, which is a first for Canada. As recommended by the Royal Commission on Learning, this will be an arm's-length agency whose sole responsibility will be to monitor and report to the public on the performance of the education system.

It will create tests and manage the testing of students to monitor the progress of our children in the education system. It will report publicly on how our children are doing. The first task will be to test all grade 3 students in reading, writing and mathematics, starting next school year. We will also test all students in grade 11 and take samples in grades 6 and 9. In addition, the agency will manage the provinces's participation in national and international tests.

This testing will give us valuable, accurate and credible information on the state of learning in Ontario schools. The agency will be a catalyst for making improvements to the education system.

It will do these things at a much lower cost to the taxpayer than was originally proposed by the former government. The funding for this agency will come from the ministry's allocation.

Technology is key to improving efficiency in the delivery of education, in ensuring equitable access to education across the province and in helping students achieve high standards. The effective use of information technology can help lower administrative costs and foster a greater sharing of resources between schools and between school boards. Savings realized will allow for the shifting of education resources towards the classroom.

We are committed to updating the level of technology in all schools and school boards across the province. We will do this through a variety of approaches, not the least of which includes building partnerships to encourage private sector contributions. Business support and collaboration are essential to providing the technology we need without increasing the cost to taxpayers.

These kinds of partnerships are also necessary to help us close the gap between those kids who are exposed to technology outside of school and those who are not. Through partnerships with business we can give every child in this province the same opportunity to learn with information technology.

Computers are only part of information technology. Educators throughout the province are moving now from using computers as merely tools to teach computer skills, to using information technology to teach children to access and distribute knowledge. That's the exciting part of information technology.

My government is committed to establishing a demanding, province-wide core curriculum and high standards for student achievement. Parents and the public are demanding clear information on what students are expected to learn in all grades.

We are working on a province-wide curriculum that will make students' programs more consistent throughout the province and will cut the immense duplication of effort that has been rampant in the system. In addition, we will be finalizing province-wide standards for language and mathematics for grades 3, 6 and 9.

We recognize, however, that more is needed. We will be moving ahead with the development of standardized report cards for the province. This will bring greater clarity and consistency to reporting to parents and to the public, meeting our goal of greater accountability.

The ministry is also moving forward on the issue of school councils. We believe school councils help schools and school boards forge strong links with their community partners, including parents, business, labour, social and health service providers.

Parents don't want to run the schools, but they don't want to blindly trust schools absolutely. They want transparency in the operation of schools. They want to see clearly how they are being run and how their children are being taught.

We are supporting the implementation of school councils through training sessions for principals, which are now under way, and for school board facilitators, which will happen in the spring of 1996. We also expect to release a school council handbook next month which will help guide the operation of school councils.

These, then, are the education reform initiatives that are on track for implementation. Now let me turn to some other activities we have undertaken to ensure that our education and training system is accountable, affordable and of high quality.

In the area of education finance reform, we continue to work towards developing a new way of funding, one that meets the needs of an education system that is much more complex than when the current model was developed almost 20 years ago.

We need a new funding model that better addresses two critical principles: equality of educational opportunity for all students in Ontario and equality of tax burden on local ratepayers. Our goal is to achieve a system that is fairer, more equitable and focused on the classroom.

A working group, with representatives of school trustee organizations, school business officials, teacher and support staff unions, my ministry and the Ministry of Finance, will submit a report to me next month with their recommendations.

Clearly, there will be need to be links between the work of this group and that of the Sweeney task force and of the Greater Toronto Area Task Force, known as the Golden task force.

As promised in the Common Sense Revolution and the throne speech, we will make the provision of junior kindergarten optional so that local school boards can make decisions based on local needs.

Under the previous governments, junior kindergarten was mandatory and funded at 100% of grant. Now junior kindergarten will be a local option and we will share the cost with local school boards that decide to offer the program. Boards offering junior kindergarten will be funded at the same rate as they are for other programs of that board.

Another area where local needs may be met is in programs for adult students. Effective September 1996, adult students 21 years of age and over who are currently enrolled in regular day school programs will be funded under continuing education programs.

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Adult education will continue to be important to the long-term economic health of Ontario for the foreseeable future. This change in funding will offer boards the same kind of flexibility in staffing for all adult programming as they currently have in their evening continuing education programs.

We also want to promote cooperation among local boards. We believe that levels of service can be maintained or even improved by getting people to cooperate in ways they haven't done in the past. For example, approximately \$1 billion is spent annually on transportation, purchasing and other administrative services. By working together, boards could make important savings in this area.

The Ontario Public School Boards' Association, in its recent report, has identified some \$1 billion that could be saved. I call that a very good start. We are currently reviewing a number of proposals from boards, associations and employee groups that identify how we can achieve significant savings in ways that don't have a major effect on the classroom. We hope to have all of these by the end of this year.

In the post-secondary sector, it is clear that the future fiscal environment is going to be quite different from what it has been. Our colleges and universities, like all others that receive transfer payments from the government, will be faced with the challenge of a new fiscal era.

In 1996-97, colleges and universities will still be receiving more than \$2 billion, but the college sector will receive \$120 million less than previously and the universities will receive \$280 million less. These reductions are necessitated by Ontario's need to reduce expenditures and by the fact that the federal government is cutting its transfer payments to Ontario.

Government can no longer afford to fund all of the things it has in the past. We are going to have to focus our funding on those things that are most important. At the same time, we recognize the need for the availability of more post-secondary education to provide people with the necessary skills to compete in the global workplace.

Cuts to the transfer payments will be partially mitigated by increases to tuition fees. These increases won't offset the entire amount of the cuts, but students will be paying a fairer share of the costs of the education they receive. This has been the trend over the past decade.

It also follows that students should have a say in how their money is being spent and their education is being managed. We intend to make sure that students are included in discussions around changes to post-secondary education.

College tuition fees will rise by 15% in 1996-97, to \$1,275. For universities, basic tuition fees for 1996-97 will increase by 10%. As a result, basic tuition fees for undergrad arts and science students will be \$2,386. University tuition will be partially deregulated, which means that universities will be able to increase tuition fees by a further 10%, at their discretion. Both colleges and universities will be asked to direct 10% of any new revenues from tuition increases for local student aid. The Ministry of Education and Training will work with both colleges and universities to deregulate foreign student fees as quickly as possible. At the same time, care will be taken to ensure that there are sufficient places for domestic students.

The government is now looking at making changes to OSAP to give students a better opportunity to manage the debt loads they may incur. An announcement on this issue will be made later on.

We will also be looking at allowing the public institutions more freedom to become entrepreneurial by removing some of the restrictions we now place on them.

In terms of the future, we will be releasing a discussion paper in the new year. The paper will address

issues such as student and provincial shares of post-secondary funding, including differentiation of fees for professional and graduate programs, accessibility, program rationalization within each sector and cooperation between the college and university sectors.

The ministry will be undertaking a four- to six-month consultation process about the discussion paper. We believe it's important to get the views of those who are running the system and those who are using it. These are the people who have close knowledge of what works and what doesn't work, and we want to hear what they have to say. We want to know how they think the fiscal challenges can best be met.

In the post-secondary francophone system, we will support efficiency through the Franco-Ontarian Distance Education Network. This is a collaborative project of the three French-language colleges and the four bilingual universities using videoconferencing and other distance education technology to increase access to education by sharing human and financial resources.

In the area of training, the ministry is winding down the Jobs Ontario Training program but honouring commitments already made.

We are reviewing our directions for Ontario's training system with a view to developing a training strategy and structure that will reflect the government's social and economic objectives. Certainly, the business community will figure very prominently in our plans.

OTAB's programs and services are being reviewed. In the interim, its governance structure has been streamlined.

We will continue with the establishment of local boards, with changes to reduce the anticipated costs.

My ministry is working with the Council of Ontario Universities and the Association of Colleges of Applied Arts and Technology of Ontario to establish the Advanced Training Consortium. This consortium will facilitate, promote and coordinate joint education and training ventures between colleges and universities. It will foster student mobility and credit transfers between institutions.

We will consult with other ministries, including Health and Economic Development and Trade, to confirm what advanced training priorities are key to Ontario's economic renewal.

These initiatives are being carried out with the understanding that we must rationalize the money we spend so that we are getting the best value for our tax dollars, so we are providing the best education and training system we can afford. We believe we can improve the education and training system in Ontario while reducing overall spending.

The government is making real spending reductions that signify real change, because failure to do so would demonstrate appalling indifference to the needs of every individual in this province. It would be immoral not to take this responsibility very seriously.

There will be tough choices to be made today because they were not made yesterday. No one likes to say no, but because governments over the past decade never said no, we now have an absolute responsibility to prepare the future for our children.

This government will spend less, but spend smarter. And we are and will be asking our transfer payment partners to do the same. It will not be easy for any of us, but it can be done and it must be done. In the end, we'll have a better education system that meets the needs of the people it serves: children getting an education and the taxpayers of Ontario.

We are committed to getting spending under control and getting the cost of the debt off the backs of Ontarians, and off the backs of future generations. This is the only way to stop the treadmill of continuing recession and unemployment.

The people of Ontario have told us what they want, and we have promised to honour their trust in us.

The Vice-Chair (Mr Joseph Cordiano): Thank you, Minister. The statement from the official opposition critic, Mr Patten.

Mr Richard Patten (Ottawa Centre): I appreciate the opportunity to attend the proceedings here today and to hear the comments as well from the minister, and I look forward to the opportunity to engage in further exploration of the details of the estimates. I've had the opportunity to engage the minister on a number of occasions in the Legislature, and I look forward to a more in-depth review of how these programs, ideas and concepts translate themselves into estimates, being dollars and resources.

It's an extremely significant period for the educational system in Ontario. We all know that. We're all concerned about the quality of education which is available to our children. Since my appointment as my party's critic for Education and Training, I have met numerous individuals and associations involved in our educational system. There is, without question, considerable frustration out there: frustration about the needs for improvement, but more importantly, frustration that is caused by a high degree of alienation.

All of these individuals want to be part of the process. They want to be part of the process to bring about improvements. They have valuable experience, they have valuable knowledge of the system, its failings, its weakness, its successes and its strengths. They are also willing to play a participatory role and have already provided valuable suggestions about how education can be delivered more effectively. The minister made some reference to some of those suggestions by the various associations. If we are to succeed and to actually move forward, we must build partnerships that are of substance.

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I would like to quickly pick up on a portion of the overview statement on page 1 of the estimates book, where it states:

"A primary objective for the ministry is to support and develop a lifelong learning culture in the province. Lifelong learning is integral to Ontario's economic development and to the wellbeing of its citizens."

To me, this is probably the most important statement made anywhere in the document, for it sets out what should be the driving force not only of the minister but also of our total educational system. Learning is a

lifelong pursuit. Learning is a fundamental process in our society, which must be nurtured at every opportunity. Learning begins with the first experiences of a newborn child and continues throughout our lives in everything we do. We never stop learning.

It is from this reference point that I approach my role as the critic for Education and Training. Over the course of this review, I will be interested to see what resources the government is allocating to this very important ministry. I will also be interested to see how the ministry is using the resources allocated in order to accomplish its objectives.

I take, however, a guarded approach to these estimates, because the ministry cannot truly claim ownership to them. They are based on the priorities and the assumptions of the previous government. However, the cuts announced by this government shortly after it took office in July are reflected as revisions in these estimates and I believe provide a telling sign of this government's intentions.

Our education system is seen by most as the path to a brighter future. I say by most because for some it is not. My colleagues and I in the Liberal caucus believe that change is needed in our school system if students are going to be competing in the new global economy. The educational system is a complex one, and change will perhaps be even more complex. Our vision of education as we enter the 21st century includes a school system with a core curriculum, standardized teaching, standardized testing, enhanced teacher education, more community involvement in local schools and the relationships with the multitude of workplaces.

The educational sector has been very busy of late. There has been considerable debate about the kind of schools that we want and how we go about achieving our goals.

We have had the report of the royal commission, a truly wonderful piece of work, and it should be applauded. It represented a worthwhile and effective expenditure of educational dollars. I acknowledge also the role played by the previous government in regard to this commission, and it would seem to me that the current government would be wise and do well to utilize the wisdom that is in that report.

We have also had the report of the Ontario College of Teachers Implementation Committee, which is called really The Privilege of Professionalism, and the interim report of the Ontario School Board Reduction Task Force. I look forward to the final report of that task force. We will also have the report of the Education Finance Work Group, an issue of considerable debate throughout Ontario.

As I said, I look forward to participating in the debate which has come about as a result of these reports, and I look forward to discussing their content with many interested individuals in the educational system as well.

As we can see, there has been considerable activity, change and adjustment in the system and a considerable amount of good information that has been placed before us and is in the works at the moment.

But regardless of the outcome of all the studies that are there or under way at the moment, it seems to me that the important results have to be the quality of learning for our children and our young people in our schools, the quality of resources to teachers, the learning tools, the pupil-teacher ratio in the classroom, the programs inside and outside of the classroom: not just extracurricular activities but indeed the whole learning experience that takes place while our young people are in school.

One of the key elements of all these reports is the role played by ordinary citizens. The level of interest they have shown in developing an educational system that is inclusive, accessible and effective is truly remarkable. The minister is often heard uttering the word "affordability," that the programs delivered by the educational system must be affordable, that we cannot spend 10 cents more than we need to. I would put the question of affordability after the three attributes I have just mentioned—inclusiveness, accessibility and effectiveness—and the balance between all of these.

While spending more wisely and more effectively of course is our focus, and we would have to agree with that objective, it would seem to me that we cannot lose sight of the fact that excesses in the system are met by priority areas that do not receive adequate funding. These are needs within the system towards which any excessive expenditures in one area should be redirected. Schools are faced with conflicting priorities and a limited number of dollars, and even less after recent happenings.

I personally do not support the actions of this government to withdraw funding from the education of children in our elementary and secondary schools without first finding out whether they might be redirected to other areas. It would seem to me that this is shortsighted and that it is an example of putting the cart before the horse. I believe that the education of our children is a socialization process. If we treat it as such, then we will develop, truly, a lifelong learning culture in Ontario.

It is within this framework of reference that I disagree with what I believe this government is doing to junior kindergarten. They have gone beyond making it a local option. They have sent out a very dangerous signal and have biased the funding structure against junior kindergarten, no matter how important a local board might consider it. On page 53 of the economic statement, the Honourable Ernie Eves used making junior kindergarten a local option as an example of how this government was reducing non-classroom costs, reducing overspending. I think this sends a tragic signal to school boards, which have been told that there will be \$400 million removed from their budgets in 1996-97 and that further cuts will come in 1997-98 for at least as much. And where are they to find these cuts? By reducing non-classroom spending or, using the government's own example, junior kindergarten. Which ones get them?

Numerous studies have shown that early childhood education gives children a head start and improves their rate of success throughout their education, and indeed into the workplace.

The minister is apt to respond that they won an election which gave them a mandate to implement their

policy on junior kindergarten. However, I would remind the minister that a clear signal of the public support for junior kindergarten is demonstrated daily by parents of the over 100,000 children who were enrolled in junior kindergarten this past September, after the election.

The action taken by the minister last week has implications beyond the issue of the local option. His changes have an additional impact on the level of funding available for the provision of junior kindergarten and other programs funded outside of category 1. It is the cut that keeps cutting.

Educational reforms should be educational reforms, not simply, nor solely, economic ones. They should be driven by a desire to improve our "love of learning," to borrow a phrase, not by an economic agenda that is based on the bottom line.

Contrary to what the minister has stated in the past, our provincial educational system is not a business. Students are not clients, parents are not consumers and teachers are not solely service deliverers. We must ensure that student achievement is paramount in our pursuit of reform. The key, it would seem to me, is to find innovative methods for saving money that does not negatively affect classroom teaching and programs. Education must be viewed not as an economic expense, although that's a factor; it should be seen for what it is, which is an investment in our society through our children and young people.

I would also like to touch on the area of training. This area must be treated as part of the lifelong learning continuum. The rapid technological changes in our society do not wait for those who are unable to keep pace.

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An area which I am concerned about in light of the cuts announced by the current government last July is in the area of training. What is of particular concern is the lack of new initiatives to fill the vacuum created by the cessation of Jobs Ontario. The people who rely on training initiatives can't simply wait while the world passes them, nor can the government simply cut adrift talented individuals who for one reason or another find themselves outside of the employment rolls. In many cases they can play a productive role in the economy if they have access to retraining.

I believe that the government has a role to play in economic mobility, a role to play as a facilitator between the business community, the voluntary sector and trainees. I will be interested to see what the government is doing in this regard and what steps are being taken to address the training needs of people in Ontario. In today's environment of intense international competition and rapid technological change, it is crucial that Ontario maintain a highly trained and adaptable workforce.

What is the most troubling about the unemployment situation in this province is our young people. Youth employment rates are officially at 16% or 17%, but in all fairness, the real numbers are somewhere in the area of 25% to 30%. This is a very serious problem and one which will not simply go away, so I will have some questions for the minister in this regard.

Mr Chairman, thank you for this particular portion. I have a few comments. How's my time?

The Vice-Chair: You have plenty of time.

Mr Patten: I have a few comments related to Colleges and Universities. I must tell you that my colleague Annamarie Castrilli, who is the critic for Colleges and Universities, is ill today. She will hopefully join us perhaps tomorrow and will make some comments and participate in raising some questions, but I would like to share a few general comments, particularly in light of the minister's comments.

It's obvious to everyone that colleges and universities play a pivotal role in providing the economy with a skilled workforce that contributes directly to the province's and the nation's ability to compete internationally. I think we're all together on that point. Liberals believe it's necessary to ensure that our post-secondary education sector remains accessible, competitive and innovative.

The world has undergone radical change in the past couple of decades. Advances in telecommunications and transportation have broken down the geological—geographical and linguistic barriers. Did I say “geological”? I meant geographical, but maybe it applies.

We are moving towards a modern, globalized economy. In order for Canada and Ontario to take full advantage of the opportunities afforded by our changing world, our post-secondary educational system must be able to meet the challenges.

Last month our party held an opposition day on tuition fees and educational costs and we were sorry that the members of the government party did not see fit to vote with us in objecting to the massive tuition fee increases.

In volume 2 of New Directions the government stated the Progressive Conservative post-secondary education commitment: “Post-secondary education has never been more important for the future of Ontario's young people.” Later, the Conservative Education critic stated, “Without the resources to produce a highly skilled workforce and advanced research facilities, Ontario will be unable to compete in today's global markets.” We agree.

New Directions also acknowledges that Ontario's colleges and universities are in jeopardy due to lack of funding. In fact, the document actually says: “The need for increased funding for Ontario's post-secondary institutions is obvious.” It seems to me that it's too bad that this government is suffering from a bad case of “What was then is not now.” All of this government's past promises about post-secondary education as the centrepiece of the economy, it would seem, may be washed away. This government seems to have forgotten that.

In terms of the economic cuts to post-secondary education, the November economic statement was a double whammy for colleges and universities. Not only did this government slash \$400 million from this province's post-secondary institutions, it also gave universities and colleges the right to raise tuition fees up to 20% and 15% respectively.

These cuts will drastically alter the face of our post-secondary institutions. Colleges and universities are being told to deal with their 15% spending cuts by forcing

students to pay more. Students paying an average tuition rate of \$2,000 will have to pay up to an additional \$400 per year, perhaps more. This will put education out of reach for many young people, which poses the question that we all seem to be concerned about, and that is accessibility.

Mr Chairman, I will cease my remarks at this particular point. I look forward to the opportunity to engage in following through with the votes and posing questions at that time. Thank you.

The Vice-Chair: There are 10 minutes remaining in your time, Mr Patten, so we will move on to the third party critic. Mr Martin?

Mr Tony Martin (Sault Ste Marie): I say at the outset that I sit here today in place of my colleague Bud Wildman, who is the member for Algoma and the critic for Education and Training for our caucus. He is not able to be with us today. He just returned from China where he brought home a little girl who is going to be a new member of their family. Everybody's fitting in and adjusting nicely and they're all looking forward to Christmas. I spoke to him this morning for a time over the phone and told him that I would be appearing here today. After a few false starts at getting estimates going and getting geared up for today, we have finally arrived.

It's good that the minister has come and made the presentation that he has. I've appreciated hearing what he has to say and listening to the plan that he has laid in front of us and some of his thoughts on where we should be going regarding education and training in this province, because I don't think any of us around the table don't agree that education and training, and the condition of the institution that delivers them, and the viability of all of those who work in that particular piece of business in this province are vital to any future that we will have as a province, and indeed as one of the most important provinces within the Confederation of Canada.

I want to say at the outset that I'm not one of those who goes out with great criticism of the system that we have in place now. I think that we have a lot of fine people in this province working in the interests of education, working on behalf of education for all of the children and students, and indeed in this day and age all of the adults who are involved in upgrading themselves in learning, in preparing themselves to participate more fully in the life of the community in which they live and in the economy which we all know is ever-changing out there and that requires of all of us that we be adaptable and flexible in front of that.

I was happy today to hear the minister say that this government continues to be, as we were in government, committed to the idea of lifelong learning and making sure that everybody who's in the system, however young or however old, has adequate opportunity to participate and to get all the skills they need and that we were going to be focusing on them. It's interesting to note as well his comment regarding the 70% of students who do not go on to university but who do go on to learn other things, who go on to become well versed in trades and all kinds of very valuable areas of work that require a high degree of commitment by the people themselves, that require a

very high degree of opportunity and resource from the system if they're going to be the best that they can be and if they're going to be able to contribute in the way that we know they want to, and that indeed we and the taxpayers of this province want them to as well.

It was interesting to note in the minister's remarks that he is going to continue to foster and promote and work on a lot of the initiatives that we had begun near the end of our time in government—we had taken very seriously a lot of the recommendations that were made in the royal commission and indeed had looked at a lot of the studies and commissions that have been done over a period of time, both as they spoke to the need for change in the elementary and secondary panel as well as in the college and university panel—and that he is going to be encouraging his staff and indeed the stakeholders out there in the education community to continue to work with those initiatives to make sure that they become part of the future of education for the children and for all people in the province.

1640

In saying that, I feel very strongly that the system is indeed working, and working well, and that the people in it—the teachers, the trustees, the students even, and the parents of students who support them in it—are doing the very best that they can in sometimes very difficult and trying circumstances because of the changing economy that we're in, as I said before, and because of the changing demand that's out there and the changing and very difficult fiscal situation that we found ourselves in as a government and that this government finds itself challenged by.

Having said that, however, I'm not one to stick my head in the sand and suggest for a minute that we don't need to make change, that we don't need to be always challenging each other and looking at ways that we might improve the system and come to terms with some of the logistical problems, particularly, that all of us have recognized, whether before we came here we were trustees or members of municipal councils or simply—I shouldn't say "simply"—parents of students or taxpayers in communities.

We know that there were difficulties. There are inequities in the system that need to be addressed, both on a geographic level and on a level of how much you give, for example, to the student on one end who is very, very bright and what opportunity you present for him or her and then, on the other end, what resource you give and put into the system for those who are struggling with learning disabilities perhaps or other challenges that they face.

There have always been, there are now and probably will always be challenges that all of us will have to face as we struggle with trying to make the education system in Ontario the very best that it can be in the time that we're in and try to project ahead a bit so that the decisions that we make today are intelligent in front of what we perceive or expect the challenges will be 10 or 20 or 30 years down the line.

Certainly we agree that we need to move towards excellence in student achievement. Again, I premise that

with the fact that we have out there in the world today many fine examples of excellence, students who have come through the small neighbourhood schools and school boards in the communities that we represent who are the best in their field.

I don't have to look any further myself than Sault Ste Marie, the home of Roberta Bondar, one of the first astronauts that this country has produced, the first female that this country has produced, who is a doctor in her own right and doing research that is going to be important and valuable, not just for Ontario and for Canada, but for the rest of the world.

So in Ontario we have achieved a level of excellence. It doesn't mean that we can't achieve more and that we shouldn't be focusing on making sure that in fact we are doing that, and we should be making changes that reflect that.

Having said all that, I have a number of concerns of a contextual nature. We'll get into the specifics of what you're proposing and we'll have lots of questions for you and your staff around the very important day-to-day implications of decisions you're making and try to flesh out some of your thinking and thoughts around how that will play out in places like Toronto, Moosonee and Thunder Bay, and across the province.

There is a contextual challenge that I think we face here today, particularly as we reflect on some of the decisions you've made as a government in your first six months at the helm here in Ontario. In your statement, particularly in the opening segment, you talked about the fact that we as a province have a debt, and indeed we do. It was caused by a number of things, not the least among them that in the early 1990s particularly, we were into a recession in this province that was probably one of the most difficult we've seen or felt since the Great Depression.

We are coming through some very difficult times and yes, as a government, we spent some money that we had to borrow to maintain the system that was in place and to keep it at a level that was producing excellence and that would not see us drop as an economy below the water level to a point where there may not have been potential for the kind of recovery that I suggest we are now beginning to see and that is being proven out by some of the reports you read from time to time when you pick up the paper as one corporation or another in Ontario declares that in the last quarter it made not only a profit, but in many instances record profits.

What I'm saying is yes, we have a debt, and yes, we have a deficit and we need to be concerned about it and doing things that bring it into some balance. It gives us some hope as we look forward. On the other hand, though, I don't share, nor does my colleague Bud, nor my colleagues in the NDP caucus share your, I think, very negative view of the ability of this province to overcome, through incentives to business and working with business in the ways we did in the time we had.

I can't help but look back at my own community, at the restructuring we achieved with Algoma Steel and St Marys Paper and the ACR and Lajambe lumber and the new investment that has come into our community, which

says to me that this province isn't as badly off as some would maintain it is, and that it does have the ability to get up on its feet again and begin to hit on all its cylinders, and with the strength of that economy begin to produce the kind of revenue for this government that will allow it to maintain the level of service and some of the institutions we have.

Today we're focusing on education and the education system so that we don't have to do the kind of damage that I suggest will be done if you, Minister, and your government continue on the track that you are of major cuts to government that will not only reduce this province's ability to deliver first-class education at whatever level, but that as you pull money out the economies of communities and as you reduce the workforce in communities, will dampen any recovery that is happening in the economy and make it more difficult for us to recover and get on with the business actually of improving the institutions we already have in place.

1650

I suggest to you that we have some difficulties there and that what you're doing as a government by way of the context within which education must happen in this province is going to have a negative effect and you're not going to achieve the excellence that I think you genuinely want to achieve and that you lay out in the statement you made today.

The other thing I want to put on the record today too is that nowhere in any of the statements that your government has made, or even in the statement that you've made today, is there any recognition given to the fact that we, however maligned over the fact that we contributed to the deficit this province now faces, made some significant decisions ourselves that saw a downsizing of the amount of money being spent in the name of government on things like education and training in the province, but we did it with some very basic underlying principles.

One of those principles was that we would try, as much as we possibly could in any decisions that we made around that, to maintain services, to maintain the integrity and the level of service, for example, that's there today in the education and training system in the province. We didn't see anything to be gained by tearing down and hacking off pieces of a system that was serving us well, and yet, yes, in need of some change.

We also tried very valiantly to save jobs because we had done studies and we laid out some of the figures that we were able to generate and look at in front of anybody who wanted to look at them, to show the impact that taking 50 or 100 or 1,000 jobs out of a community like Sault Ste Marie would have economically on that community and on the tax base of that community as it tried to maintain the education system that was in place, and to make it, as we all, I think, aspire, the best that is possible.

We also tried in all the decisions we made to make sure that we protected the most vulnerable, those who were at the bottom end of all the various institutions and organizations that were part of the institutions we worked with to try and find some savings.

As I look at the decisions you're making around how you will manage the deficit that's there now and how you will deal with that very difficult challenge and some of the impacts it will have on my community and indeed your own communities, I can't help but think it is driven primarily and sometimes, in the statements that are made, almost solely by this quest you have to give a tax break to the richest among us, and that concerns me. We don't hear much about that, nor do we see that quantified in any of the statements you're making.

The other thing that concerns me is that the federal government is now getting into the act by way of reduction in transfer payments. They will be causing you some tremendous difficulty in the next year and two years. I guess we'll get into that a little bit in the questions and answers that will happen after this, as to how you see that affecting your ability to deliver excellence in education as you roll out your plan for the future.

The other thing that concerns me by way of a context within which we will have this discussion is the question of what you're doing out there to those among us who are the most vulnerable and the poorest.

Last July, you took out of the pockets of the poor some of the money they need to feed their children. Anybody who has studied the effects of poverty and food on children and their ability to learn knows there's a direct correlation, so I have a concern.

Before I got to this job, one of the things I did was run a soup kitchen in my community. I did that out of concern that evolved out of the recession of the early 1980s. In running that soup kitchen I had a chance to sit down and talk with groups of people—parents, groups of parents, groups of educators—who said to me very clearly that they could tell when a child came into a classroom who hadn't had breakfast that morning by the way they were able to focus and participate, by their behaviour in the classroom.

In July you took money out of their pockets. Just two weeks ago tomorrow you have taken away a lot of the services they depend on for their health. Soon, down the road, you'll be cutting jobs in the public sector, so you'll be taking away some of the supports they have out there by way of people who counsel and hand-hold and help in the many very important and valuable ways that a lot of the folk who work for this government do in communities across the province.

I have a concern around these children who are now going to be impoverished, who are not going to have the support they've had up to now in their quest to deal with a lot of the challenges they face, whether it's mental health or abuse or so many of the things that families today have to deal with and that the children have to deal with, and how they will in fact learn and how in not reaching their potential, because they're not coming to school well fed and nourished and healthy, what cost that will accrue to them and to us in the long term.

Another thing concerns me, and I'm not sure how many people make the connection, but I know there are a number of people out there who do because I'm talking to them. As I talk to them and as we have conversations

over coffee and at meetings in my office and other places, both in my own community and across the province, people are beginning to realize that for a long time schools have acted sort of as the clearinghouse for every problem society came up against. A kid has a learning disability and the school takes care of it. The kid has a mental difficulty or a health problem and it ends up at the door of the school. He's abused at home and it ends up at the door of the school.

Over a number of years, and particularly in the last few years, we've put in place a number of services across the province that have begun to work hand in hand with schools to make sure that some of our more challenged and difficult-to-deal-with students have some support services so that when they get into the school they are, at least to some degree, ready to learn, because really that's what schools are about.

Schools are about teaching and learning. The more you turn them into something else, settings for social work, settings for things that should happen in hospitals, settings for things that perhaps should happen at home with support from different agencies and professionals who are now present and working hard, and even within the system that's there now, many of them are stretched to the limit and not able to provide the kind of service that they would like to, or know that they could if they had more assistance and some more resources and some more help. That's not going to be there any more.

1700

When schools face a problem that they know is outside of their expertise or their realm of understanding or ability to cope, they can phone another agency or organization in the community. Some of those agencies are going to disappear because of the decisions that this government is making re its expenditure reduction based on, I think, some very questionable principles, not considering at all the impact that it will have on human beings in a community, because ultimately all of this is interconnective. You can't take away one without affecting the other.

It will create some tremendous challenges for the school system; challenges that are already there now, that they're not able to meet, in some instances, in a very successful and helpful way; that are even going to get worse as you pull resources away from agencies that, as I say, are now struggling to try to do the best that they can.

Having said all that, I guess I wanted to just wind up with—how much time do I have?

The Vice-Chair: Five minutes, Mr Martin.

Mr Martin: Five minutes? Okay. I wanted to wind up by sharing with you a couple of things that people out there are telling me, because I think you should know them. They're probably telling you the same thing, if you're listening, if you're taking that phone call when it comes through from a constituent when you're home on Friday or over the weekend when they call you at home or if you're sitting down and talking with the groups that we sometimes so lightly push aside because they represent some interest or other.

What they're telling me, what neighbours are telling me, what my family is telling me, what people in my community are telling me, is that you're doing too much, too soon; that you're causing trauma in the system simply by the speed at which you're moving. People can't cope, can't grasp, can't get their heads around all of the changes that you're making.

You are, I guess, in very crass terms, scaring the hell out of them. Because you're scaring them and because they're anxious and nervous and afraid and all of the emotions that come with not knowing what's down the line a month or three months or a year re their ability to continue to contribute in the way that they have—whether they're going to be able to build on the investment that they've made over a number of years to become the best that they can be as teachers or counsellors or librarians—the concern that they have now that they're carrying around with them, the anxiety that's there, is taking away in a very significant way, their ability to be the best that they can be in the circumstance that they find themselves in, and that bothers me.

As I go into some schools and talk with some professionals—and it's not just in the education system, but across the board—I hear that some of our best professionals, whether they be teachers or social workers or health professionals, are beginning to look elsewhere. They're not feeling that sense of being valued that they had when they first got into the business any more. They're looking for a place where they will be valued and they're looking for a place where there's a little bit of security, because they all have family that depends on them and they want to have in place some plan for themselves and for those who are dependent on them as they look down the future.

The best among those who work for government or indirectly for government are beginning to look other places. And the new people whom we have always attracted to government, because government was a good place to work, government was a good place to invest one's energy and one's training and one's excitement about life, it's not that attractive any more. So some of the best and the brightest who used to come to the education system to work are no longer seeing it as a place that holds any hope for them to be able to use the abilities that they have, the skills that they have, and to be able to contribute to society in a meaningful way. So what you have left are a group of people in the middle of those two groups who are valiantly trying to do the best that they can in a situation that they have absolutely no control over and about which they hold very little hope.

I guess, Minister, what I'm looking to you for is some idea of how you see what you're doing as a government, supporting your aspiration for excellence and accountability and opportunity in the education and training system unfolding, how that all comes together, how it connects and doesn't connect, and your thoughts on how we implement some of the really exciting and valuable initiatives that we glean from, yes, the Royal Commission on Learning and some of the other reports that were done out there on behalf of education and on behalf of training in the province, how we can put wheels

on them, how we can resource them in a way that will actually give them some potential to take root and be successful.

So, having said all that, I want you to know that I look forward to the next few days as we dialogue back and forth about these very important issues to the people of this province. I want you to know that—

The Vice-Chair: I hate to interrupt you, but your time has elapsed.

Mr Martin: Can I just have a minute?

The Vice-Chair: I've given you an extra two minutes. I would be more accommodating but I did give you two extra minutes.

If the minister would take some time to respond, you have 30 minutes. I don't know if you'll use it all but it's up to you.

Hon Mr Snobelen: I suspect I'll have a few minutes left of that 30 minutes.

Let me say I've enjoyed the comments. I appreciate this opportunity to respond to them. Both the honourable members have made some good points, and if I can I'd like to respond in the order that these comments have come to me. So I'll begin with the honourable member who's the critic for the official opposition.

I made note of your comments on the royal commission and I too agree that it was a very good work. It was particularly of use to a new minister, a chance to perhaps come up to speed on the education system in Ontario in a very good work.

I do regret, though, that the royal commission was not mandated to pay attention to the funding issues that are part of the education system in Ontario. Clearly, some of its recommendations would have been focused differently, had it been able to and had it been mandated to have a better look at or a closer look at funding. I have noted the observations they did make on funding. But funding is a critical and very important issue, particularly when we're looking for a more equitable education system in the province. Funding is key to equity.

I believe that the public has a right to expect a real value in education. That means quality and affordability, and I believe that we have to have our focus on both of those issues.

1710

I note that the member called education an investment. But I want to underline that calling it an investment, and in fact it is an investment, but calling it an investment does not excuse the waste of taxpayer dollars. It needs to be a good investment, a wise investment, a prudent investment, and I believe that the steps this government intends to take will have it be a more prudent investment of public dollars.

If we want to do that, we have to be able to emphasize the quality of education, and to do that we have to measure something more than just the dollars; I will agree certainly with that. We have to measure student performance; that's why we've made the announcements that we've made over the last few weeks about measuring carefully student performance across the province.

I think, and this government thinks, that's critically important. We also must measure the professional development of the teachers who are the core of the education system. That's why we believe the Ontario College of Teachers will be a very important group and body to make sure that we have attention on professional development, both pre-service and in-service of teachers across the province.

The member brought up junior kindergarten. I would like to touch on that with two points on the junior kindergarten issue. First of all, of course, we made very clear as a party our commitment to making junior kindergarten a local option so that local boards could make a decision regarding delivering junior kindergarten in a way that made sense for their local circumstances. In maintaining it as a local option, we have recently announced that we will fund it at the same general grant rate in a local community, making it truly a local option. I believe that a variety of boards are looking at different methodologies of delivering junior kindergarten and that we may in fact see an improved junior kindergarten system across the province in the future.

But I want to draw the attention of the member to our second commitment, which was to review junior kindergarten. And you might ask, why would we review it? Well, there are very few junior kindergarten programs in the world. In fact, there are not very many kindergarten programs offered in the world, and there are some jurisdictions in Canada and in North America where kindergarten is not offered.

We agree that early childhood education is in fact very important in the development of young people, but we also note that it's offered in a variety of different systems and ways around the globe, and we think it's important to have a look at what is the best system for Ontario and particularly how we can target the kids who need the most help at the youngest age. That's why we've made a commitment to the people of Ontario to review early childhood education and to work together with other ministries in developing the best possible program.

I'd like to touch just for a moment on training. We are of course reviewing the training initiatives in the province of Ontario, but I want to say that I believe that the most important single element in training is having jobs for people and being part of a vital and prosperous province where there are jobs created by a vibrant private sector, and that in fact is one of the reasons why I ran for office. It is one of the reasons I am proud to serve in this government, because I believe we are committed to a program that will create that vitality and create those very important private sector jobs that will give us a reason to train people. I never want to lose track of the importance of having jobs for people to train for.

We have of course announced a discussion paper for the post-secondary area, and we want to look at particularly the areas of accessibility and the reorganization and restructuring of the post-secondary institutions, which was a subject touched on in your comments. I want to note, though, that there has been in our conversations—you mentioned conversations with students—I want to mention that students whom we have been in conversa-

tion with have made it very clear to us that they feel an individual responsibility for their own education and they feel a responsibility for the future of this province.

They've made that very clear to people in my ministry and to myself, and I think that's an important thing to remember. Students don't expect a free walk. They just want accessibility to a first-quality education in a province where they can have a career and raise a family and have the kind of vitality and opportunity and possibility they deserve.

Last, I want to point out, "that was then; this is now" is a reference that the member made to a paper that we released in 1992. I will make this comment. Certainly the economic condition of the province has worsened between 1992 and now. No one in this room would question that. We need to make sure that all our programs are responsible both to those economic circumstances and to the changes in technologies that are available to us. I hope we are always at the leading edge of education systems in the province of Ontario.

I would agree with the member of the third party that I too have some regrets over our false starts in this process and I too am glad that we are under way now. I would like to acknowledge at the top the former government's role, particularly the former Education minister's role, in developing some of the current initiatives that this government is going forward with. While we have changed and I hope improved some of those initiatives, they do have their core in the previous government, and I want to acknowledge that at the start.

I believe it's important for a government, when it takes power, to not throw in the trash can all the ideas, all the programs and all the initiatives that were paid for by the public and generated by a previous government. I think that would be irresponsible and I'm glad we haven't taken that road.

The member talked about the context, and the context of excellence in education. I have heard from educators that we have an excellent education system in the province of Ontario, and in some cases they're right, but I'm afraid if we focus on just what's working we'll become content; we will quit measuring ourselves carefully.

In fact, I'm not content with the measurement systems we have for our education system in Ontario. I think we need to measure it much better. I think we need to benchmark it against world standards and I think we need to tolerate nothing less than being the best in the world in our education systems. I believe that the parents, the students and the taxpayers in Ontario want something other than some high level of mediocrity in their education system, and in order to get excellence we really do need to improve our measurement systems.

The member also mentioned the support services for young people. I'd like to reiterate that is why a review of junior kindergarten is so important, so that we can target the kids across Ontario who most need help.

The member has also questioned the tax reduction that our government is committed to in the province and has, I believe, mentioned that we have questionable principles in this regard. I would suggest, sir, that the questionable principles are those of high spending, high debt and

spiralling interest payments. I believe that suggesting that legacy is an act of kindness for the young people of Ontario is inaccurate at best.

The member also mentions that there are people who are saying "too much, too soon" in terms of the change, that in fact they're scared. I do have empathy for people who are in the face of changes. However, I believe that the people of the province would certainly be more afraid, more fearful of the future if we didn't act fast now, if we continued to spend \$1 million an hour more than we brought in as a government. I believe that, in fact, is a very scary and frightening future, particularly for our young people. That's why we focused our attention not just on preparing our young people for the future but on preparing the future for our young people. I believe that's critically important.

Finally, you've mentioned that there are those who are leaving this province, that there may not be jobs for the best and the brightest, and I concur with you and agree that's an area of great concern. That's why I believe we need to become responsible for the economic circumstances the province is in. That's why I believe we cannot be a province with a \$100-billion debt, with spiralling interest costs, why we must get our spending under control and why we cannot become a vibrant place of possibility until we are not one of the highest tax jurisdictions in North America.

We need to lower our tax rate, we need to get our debt under control and we need to control our spending so we can create vitality, opportunity and possibility, particularly for the next generation. So I'll repeat that I believe it's most important that as educators, as an education system and as members of provincial Parliament we keep our attention on preparing the future for our young people.

The Vice-Chair: Thank you, Minister. We have 35 minutes remaining and we will divide the time equally among the three parties, so why don't we just say 10 minutes for each party and we'll call it a day.

Mr Patten: This is far more civilized than I thought it might be, and maybe that's a good sign. I appreciate the minister's responses and thoughts, and some very thoughtful comments were made. For the purposes of today, I'd like to respond to the minister's response, if I may. There will be more time later on in the week in which we will ask specific questions on dollar values and expenditures or allocations or things of that nature.

Jumping off on your comments related to the royal commission, which it seems to me everyone is universally supportive of in terms of its quality of work: You identified an area where they might have perhaps gone the next step and dealt with solutions to equity. I would venture to say that you will probably have no argument from any party in this House in terms of striving towards the equitable nature of support to children and young people regardless of language, regardless of religion, regardless of which system they may be part of.

I believe that has to be the long-term goal of equity, and of course our historical decisions have provided some challenging ways in which we address that and reallocate resources and redistribute resources that affect people, whether they have children in the system or not. Our

whole financial structure, as you well know, Minister, is being explored probably in the most depth by the Golden report, which by its frames of reference is revealing the whole organization and resource allocation, not really just of education but how the whole region may function. So I would agree with you there.

When you address the issue of waste in the system, again I must agree with you, but it raises the question: What happens with the waste that is in the system? What happens to the resources identified? Of course, that's perhaps where we might differ in terms of our program for dealing with both the deficit and for dealing with education—and health, I might add. We acknowledge that it was time for a review of big systems, and that will always be the case. We should be reviewing our organizations all the time in search of waste, in search of ways in which we can be more efficient, more effective to the primary goal and the objectives of the system, and in this case it's the learning for our young people.

In this particular case what's being identified leaves the system. It isn't identified to be reallocated. It's pulled out of the system to, so-called, fund the debt. I believe the driving force is combining the goal of addressing the debt—which all parties agree—but to fund the tax cut at the same time; and sadly to say, people who will most benefit by that will be the people who are the richest in our society in terms of their income.

That's what, I suppose, is at the root of part of the identification of resources that are taken right out of the system. We believe that wasn't necessary. So when I'm asked by parents, "What is the contribution that we can best make to the educational system?" do you know what I tell them? I tell them to try and persuade Premier Harris not to feel so tied to the commitment he made in terms of the income tax break. If you do that, you release resources that can best be utilized in the educational field and in the health field and in any of the social areas.

In terms of the College of Teachers, the issue of professional development is without question a major cornerstone for the system, and I would certainly agree. You know that all parties, by virtue of their commitments prior to the election, were in support; we still are. However, it seems to me that we still have to listen to some of the teachers.

While on an individual basis some teachers are saying, "We do not see this as a problem," or the public school boards say they're in support of it, the key question was the principle of teachers for teachers in terms of their professional development feeling that they really had a degree of control over that mechanism and are prepared to accept the accountability question; it's still a question for them. My suggestion is that a review—and I don't think it would take too many but I don't want to speak for the teachers—an adjustment of a couple of representatives in favour of teacher representation on the council might solve that particular problem when we face it.

In terms of junior kindergarten, I certainly agree that reviewing kindergarten and reviewing junior kindergarten is always of utmost importance. We should be doing that throughout the whole system. But there is, in terms of resources, something that is more than simply identifying junior kindergarten as a local option. The changes to the

funding of junior kindergarten have changed, which will mean a net less allocation to the total system. Because they have been taken out of one category and placed into category 3, not only does it affect the general grants to the system, because they are now not counted in that category; but without any changes to the overall financing of education, it essentially says that those richer boards, unless they're prepared to really chop something else, will be the only ones that will be able to support junior kindergarten. Junior kindergarten, to me, is a classroom expense; it is not an administrative expense.

In terms of training, some people might have some judgements about my capacity to assess things, but I must say that probably the most challenging area of trying to get a handle on is our training, which I know is not solely a provincial responsibility; it's also a federal responsibility in the interplay. Frankly, I find it a mess. It's difficult to get a handle on it; it's difficult to get a handle on the integrity of an approach, and I'm sure this is what you will be addressing, but at the moment, I find it extremely difficult.

I've only got two minutes. I enjoyed this comment that you made, Minister, the comment that you had on the feelings of being content, that you wouldn't want to see people feel content and therefore you must forge ahead.

I would like to offer another point of view on that pedagogical assumption, and I call it a pedagogical assumption because my training tells me—and I know you had a training company and you work in the field of developing people—that the most effective way of supporting the development of positive action is by building on the strengths and by building on the positive.

In this environment, the teachers in the system are going through tremendously difficult times. They're there to solve all sorts of problems. They're there to solve problems of abuse; they're there beyond the call of duty, without question. They begin to feel that parents, generally speaking, or the media or the government don't appreciate them. I say this with some knowledge.

1730

My wife is a teacher and I have a chance to meet many teachers by virtue of that as well as now by virtue of my role as a critic. Some teachers almost cry when you say, "You know, I think you're doing a goldarn good job." Sure there are changes, but they feel there's a tremendous amount of insecurity in the system. I don't think that brings out the best in the human condition in a large system when people feel they're beat up. I think if they feel that there's a high degree of support, there's some acknowledgement for their professionalism, for the heart that they put into their work, that will provide a much greater openness to respond to new ideas. They want to be part of the process.

I will end my remarks on that particular note and I will send a copy of my remarks to my wife.

Mr John C. Cleary (Cornwall): Having been a municipal councillor for 15 years before I came here, and at the head of that council for 11 years, I find it very hard in your remarks here on page 1—it says, "For too long, Ontario has been spending beyond its means. Mr Eves spelled out the harsh realities of our situation. In the last 10 years...." I cannot believe why you wouldn't go

further than 10 years in your remarks, having known the way the former government before that 10 years spent money. I can't understand why you stopped at 10 years.

The Vice-Chair: Is that a question?

Mr Cleary: Yes.

The Vice-Chair: Do you want an answer?

Mr Cleary: Yes.

The Vice-Chair: I just wanted to be sure that you wanted to use up the remaining time you have.

Hon Mr Snobelen: The decade is a very interesting time frame; the previous decade. One of the possible reasons for identifying a decade—although I don't know spending over our means is limited to a decade. But I can tell you that over that course of time one government, the previous Liberal government, doubled spending and the other government, the NDP government, doubled the debt. So I suspect that might be one of the reasons why we point to that decade as being not a stellar time of fiscal management in the province.

Mr Cleary: If you look back, though, I think—

The Vice-Chair: I'm sorry, but the time is up.

Mr Cleary: I was just—

The Vice-Chair: I apologize, but we do have to move on.

Mr Martin: I just want to go back and ask you to expand for me a little bit this question of your approach to being responsible re the future and the financial situation that we find ourselves in and the very high level of optimism that you have for the program that you're about to implement. Really, you're putting all of your eggs in the basket of get government out of the business of this province, reduce expenditure and the private sector will move in and everything will be all right in three or four or five years, or 10 years down the road.

You come in with a plan that I believe saw us reducing the deficit in a matter of a couple of years initially, giving a tax break of 30% and improving the way that we deliver services and do business in the province. We know that this approach has been tried in other jurisdictions: in England under Margaret Thatcher, in the States under Ronald Reagan. Just to use Reagan as an example, if your concern really is the deficit and the impact that's having on any future this province might have, particularly for our children, and our ability to invest in such important institutions as education and training, that we need to bring it under control, in fact under Mr Reagan the deficit in that country tripled.

You're talking now, in the statements that we're getting from your government, that we're not going to get to a balanced budget until into your next mandate, if you get one, or somebody else's mandate, whoever has it.

Mr Patten: Ours.

Mr Martin: Your mandate. Okay. That's right. It's your turn next, right? And then it's our turn after that.

The Vice-Chair: Is that the way it works?

Hon Mr Snobelen: Just to clear the record, I believe we have 41 more years and then it's your turn.

Mr Martin: I said earlier that people were saying to me—and I say this in all sincerity—out there that you're

doing too much too soon and the trauma is going to be too much for the system. They're also saying to me that you really don't have a plan; that they don't see any content to the announcements you're making; that there's nothing to indicate how the very deep cuts you're making are going to impact or play out there, how they're going to affect the lives of people.

For example, in your portfolio, in 1995-96 you're going to take out \$77.4 million. In 1996-97, you're going to remove \$850 million. What they want is more detail; how is this going to impact. You talk about not affecting classroom education, but you still don't have a definition of exactly what classroom education is, and yet you're going ahead with these cuts. I guess I'm asking if you might expand somewhat for us today and maybe allay some of our fears that you don't have a plan, that it's fly by the seat of your pants, that you've picked up something that was ideologically perhaps enticing, exciting, that Thatcher and Reagan and Mulroney bought into to some degree and that they're doing out in Alberta—not quite to the extent that you are—but that you now want to foist on the people of Ontario.

The Vice-Chair: Sure, you can answer him. Would you like an answer?

Mr Martin: Yes.

Hon Mr Snobelen: I'll try to make the answer brief, because when you ask the question in that context the answer could consume days, I'm sure. But I'll try to keep it brief and focused. I guess really the heart of what you're asking is what works and what confidence do we have and what works in terms of our plan.

Mr Martin: For some detail.

Hon Mr Snobelen: I'd kind of like to point to what we know, and what we know is what doesn't work. We know that increasing spending at a dramatic rate in terms of public spending in the province doesn't work in creating a better or more vital future for our children. We know that increasing debt doesn't work; in fact has exactly the opposite effect. It causes a lack of investment or a decline in investment in the province and it makes the future darker for our children. We know that increasing the rate of taxation doesn't work because it actually declines revenues for the government. We've seen that in the last four or five tax increases in the province when actually revenues go down.

I don't believe our philosophy or our plan or ideology was imported from Thatcher or Reagan or Mr Klein or any of the other examples of governments around the world. I believe it has even deeper roots than that. I believe its roots are fundamentally a belief that people are able, that people don't require government to be "Big Brother." I have a quote on my wall from the Tao that goes to the effect of: "When taxes are too high people go hungry; when government is too intrusive people lose their spirit. Act for the people's benefit. Trust them. Leave them alone." So some 2,000 or 2,500 years ago there were people who believed that getting out of other people's way showed them a service.

I believe that when you deceive people—

Interjection.

Hon Mr Snobelen: So noted. I believe that when

people have the right information they make the right choices, and I believe that when we hide our financial circumstances, really hide it under debt, then we tax the future. We tax future generations—

Mr Martin: Why aren't you willing then to lay out a plan for us that indicates to us the impact—
1740

Hon Mr Snobelen: If you give me just a moment, I will.

Mr Martin: We've only got 10 minutes.

Hon Mr Snobelen: I want to give you the foundation piece for this.

The Vice-Chair: If I may, you have three minutes left, Mr Martin.

Hon Mr Snobelen: I'll be brief. I believe in giving people the correct information, and part of that information is being very clear about the economic circumstances and the consequence of the economic circumstances that they can make the right choices for themselves and for their families. I believe that's important and I believe people will make the right choices.

When you ask about a plan, we have one. It's called the Common Sense Revolution. It's very detailed. It's historically detailed in terms of a plan that we released to over two million people in the province of Ontario before an election, the first time that's ever been done in the history of this province as far as I know. So there's been a very detailed plan that the people of Ontario have had a chance to debate, decide on and vote on.

Mr Martin: The folks who are talking to me, with all respect, Minister, are telling me that it's light on detail, on content and on future impact. There's nothing there to indicate how this massive reduction in resources to the institutions that are so vital to the economic future of all of us in this province is going to play out.

The other question I wanted to ask, or maybe a comment, and maybe we'll get to it another time—

The Vice-Chair: You have one minute. A quick comment.

Mr Martin: —is the question of poverty, the fact that you're putting so many people into a situation now where they can't afford the basics of life, and how that will impact on their ability to participate in this wonderful world that you're going to create by squeezing the crap out of all of us.

There's no detail. There's no plan. You've done no studies. You can't show us in any significant way how that's going to roll out; how taking away services to the most vulnerable of the students who go to school, who need them in a major way, particularly at a very young age; how not making junior kindergarten mandatory across the province is going to impact on the future potential of these children when so many studies that have been done show that it has tremendous impact.

You're great at laying out what doesn't work. You're great at painting the gloom and doom of what somebody else has tried and perhaps not quite made as excellent as maybe some might expect it to be. But you haven't laid out in any significant way for me or for the folks that I represent, or for a lot of the folks out there that are very

troubled by what they see coming at them in such a big hurry—they'd like to participate. They'd like to be confident about this. They'd like to be part of this. Nobody wants to be out there alone, by themselves.

The Vice-Chair: Thank you, Mr Martin.

Mr Martin: Contrary to what we might think or feel, we're all part of a community. We all want to work together. We all want to be part of the answer. We can't if we don't have all the information, and you haven't given it to us yet.

The Vice-Chair: Thank you. Your time has expired. I have Mr Barrett, Mr Wettlaufer and Ms Ross, and it's up to you how you divide that time. I leave it in your hands. I don't want to get in the middle of this one.

Mr Toby Barrett (Norfolk): A question, Mr Chairman, and perhaps a supplementary also to the minister. We know \$400 million is being taken out of elementary and secondary school budgets in the 1996-97 budget year. A concern is how the ministry will ensure classroom funding in a climate where administrators and superintendents may be prone to perhaps lay off classroom teaching assistants, classroom teachers, before themselves or before finding other savings within the system. Specifically, what mechanism—where's the control to prevent these kinds of front-line layoffs given the size of the administration now within our school system?

Hon Mr Snobelen: I know that concern's been expressed by other people. Of course, the spending on education in the province, particularly at the school level, is administered by boards across the province, by elected people from their local communities who are committed, I'm sure, to the quality of education in their local area. The question is, when we reduce funding, will it be reduced in terms of classroom and quality of education or will it be reduced from overhead costs?

I think we can take some comfort in the professionalism of the boards, when we look at what the boards have suggested to us over the last month or so in terms of the kind of tools they need to make the reductions they want to make: reductions in costs through better logistics in transportation; reductions in costs, perhaps, through making teachers more productive; reductions in costs by applying more rigid maintenance standards to schools. I believe they're looking in the right avenues now to lower the cost and create a better value of education without affecting the quality, and I'm confident that we can be of assistance to school boards in doing just that.

Mr Barrett: I taught high school 25 years ago, and these kinds of superintendent and curriculum development positions did not exist to the extent they do now. I am asked fairly frequently in my riding how this came about, why these kinds of position continue to exist. Comparing it to 25 years ago, or 50 years ago for that matter, what happened? Why does the system require this kind of an approach?

Hon Mr Snobelen: We've had some input from boards that would suggest that some of the administration, direct administration, can be reduced. By the end of this month, we hope to have all the suggestions in from people who want to make education a better value by focusing in the classroom.

I want to point out, though, that teachers and board trustees have pointed out to me that it's important that we have very good services, particularly for young children, with specialists that are required for children in grades 1, 2 and 3, and perhaps grade 4, who require extra services. We want to make sure those are available to young people particularly. We want to make sure that our teachers have a chance to be the kind of professionals and develop the services they can.

I believe that our teachers are professionals, I think they are top quality and I believe we need to let them teach, and that means they may require a little less supervision, if you will, than teachers do in jurisdictions where they're not so highly trained.

Mr Wayne Wettlaufer (Kitchener): Minister, 15 years ago I began talking to boards of education and to teachers, and one of my biggest concerns as a businessman was that kids were graduating from high school, from university, not being able to fill the needs of the company with which I was an executive. I don't see, in spite of all the money that has been thrown at education over the last 15 years, that this has improved. In fact, I was running my own business up until June 8, and when I wanted to hire someone, there was still far too much training that was required, basic training that should have been filled at the educational level. Where are we going to go in that regard? People do not come out prepared to do a job, to get a job.

Hon Mr Snobelen: You pointed to the frustration that I'm sure that lots of people in the business community have shared with me over having students who graduate and can fill their needs. As a matter of fact, I've had businesses tell me that they'd like not just to have them fill the needs of the business, but actually being able to fill out the application form would be useful.

I'm not so sure that this hasn't always been somewhat of a problem, but I believe that there are a couple of approaches that can help us enhance the quality of education, which is what everybody would like in the province of Ontario and so necessary. One of those is by looking at a more standardized core curriculum. We believe that a core curriculum will allow parents to know what's expected of their children at steps along the way and so they'll be able to participate more actively in the education of their own children.

We also believe that standardized testing in grade 3 and grade 11, with testing of the system in grade 6 and grade 9, will go a long way towards providing and ensuring that we have a better quality of education in the province of Ontario. Those are two very critical stages, grade 3 and grade 11, in a young person's development. We're particularly anxious to make sure that we catch children who have a developmental problem or a learning problem at a very young age, when it can be overcome. We want to make sure that our program is very relevant for students so that they will stay in school and continue to learn. I think those are the critical issues for quality in education.

Mr Wettlaufer: Given the core curriculum, teachers with whom I've talked say that they don't have enough

input into the establishment of the core curriculum. The concern with the Ontario College of Teachers of some of the teachers with whom I've talked is that we are emphasizing their professional development at perhaps the expense of the actual emphasis on the student. If the core curriculum is developed by the bureaucrats in Toronto, is that going to assist the teachers? Are you getting where I'm coming from?

Hon Mr Snobelen: My understanding is that teachers are keenly involved in the curriculum development currently across the province and that they will be in our restructuring of secondary schools, which we talked about a few weeks ago, into a four-year, post-grade-8 program. We in fact will have an advisory committee that will have representation of teachers involved in the changing of our secondary school system. But my understanding is that teachers are critically involved in that now and have been for some time.

I'm concerned about the length of time it takes us to do curriculum. I'd like to see us have a more centralized curriculum so that we can provide better training for teachers, better materials and a better selection of materials from a central point of view for teachers. We understand there needs to be a certain amount of program delivery that's locally tailored, but we think the more centralized it is, the better resourced it is, the better chance teachers will have of doing a high-quality job with students across the province.

The Vice-Chair: Mrs Ross, you have one moment left.

Mrs Lillian Ross (Hamilton West): One moment? Minister, I have so many questions.

Hon Mr Snobelen: And only one moment.

Mrs Ross: I have one moment, so I'll only make a comment. The comment I'll make is that as a newly elected member, I am, as a lot of us are, meeting with a lot of people in a lot of different areas, trying to get a handle on the issues. I met a week ago with OSSTF. We talked about standardized testing. I made the comment to them that my daughter, who is in grade 11, I think, has failed numerous tests and been allowed to rewrite them, time and time and time again. They don't like to fail people.

I am really pleased that we are finally going to have standardized testing. I'm concerned about how we're going to implement that and I'm concerned that it will be across the board—that when you pass grade 11, you actually pass grade 11. I have a child who is struggling through different courses—a grade 9 course, a grade 11 course, a grade 12 course. Nobody knows, and she doesn't know, where she is yet. I'm really concerned about where our education is going. In light of the fact that I have 10 seconds left, I'm going to leave it with you. Be prepared, because I do have lots of questions.

Hon Mr Snobelen: Great, I'll look forward to it.

The Vice-Chair: I guess we can call it a day and adjourn until tomorrow.

The committee adjourned at 1754.

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*Sheehan, Frank (Lincoln PC)

*Wettlaufer, Wayne (Kitchener PC)

**In attendance / présents*

Substitutions present / Membres remplaçants présents:

Patten, Richard (Ottawa Centre / -Centre L) for Mr Michael Brown

Ramsay, David (Timiskaming L) for Mr Curling

Clerk pro tem / Greffier par intérim: Carrozza, Franco

Staff / Personnel:

Poelking, Steve, research officer, Legislative Research Service

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Journal des débats (Hansard)

Mercredi 13 décembre 1995

**Standing committee on
estimates**

**Comité permanent des
budgets des dépenses**

Ministry of Education and Training

Ministère de l'Éducation
et de la Formation



Chair: Alvin Curling
Clerk: Tannis Manikel

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 13 December 1995

Mercredi 13 décembre 1995

The committee met at 1556 in committee room 2.

ELECTION OF ACTING CHAIR

Clerk of the Committee (Mr Franco Carrozza):

Ladies and gentlemen, I must inform you that Mr Joe Cordiano will not be here today, so I'll call upon you to elect an acting Chair for today.

Mr John C. Cleary (Cornwall): I move Mike Brown as the acting Chair.

Clerk of the Committee: Mr Cleary moves that Mr Mike Brown now take the chair. Any further nominations?

Mr E.J. Douglas Rollins (Quinte): I move the nominations close.

Clerk of the Committee: Mr Brown, do take the chair.

ESTIMATES,

MINISTRY OF EDUCATION AND TRAINING

The Acting Chair (Mr Michael A. Brown): Good afternoon, Minister. I think we'll start.

The normal procedure at this point in the committee session in estimates is to divide the time evenly among the three caucuses, if that is suitable to the committee members. I would make the suggestion that if we divide it into 20-minute parcels, each party would have equal opportunity this afternoon. If that is acceptable to the committee, that's what we shall do. We will start therefore with the official opposition and recognize Mr Patten.

Mr Richard Patten (Ottawa Centre): I'd like to start off today asking a question overall about the transfer payments in this year when the ministry has realized \$60 million in transfer cuts. I know there were some cuts that had already taken place in the 1993-94 budget. I wonder if I could get a sense of a breakdown of that.

Hon John Snobelen (Minister of Education and Training): Certainly, Mr Patten, as I'm sure you're aware, there were some in-year cuts to transfers. To get the specifics of that, I'll refer you to the lady beside me, who is Joan Andrew. She is an assistant deputy minister and someone whom I'm sure this committee will be pleased to hear from.

Ms Joan Andrew: There was an in-year cut to the operating grants of 1% for colleges, universities and school boards announced in July. Peter Wright, who's just there, has more details if you want them, but I think that added up to the \$60 million.

The Acting Chair: Mr Wright, would you just identify yourself and your position for Hansard?

Mr Peter Wright: My name is Peter Wright. I'm the team leader of strategic funding in the Ministry of Education and Training. The cuts that were made were \$32 million to the school boards, which was approximately 1% of the general legislative grant; \$6.8 million to the colleges, which was 1% of the general purpose operating grant; and \$16.8 million to the universities, which was again 1% of the general purpose operating grant.

Mr Patten: And the school boards, colleges and universities would take that—that was from administration, was it, or did they have the latitude to take it from wherever?

Mr Wright: They were directed to endeavour to take it from sources other than the classroom. The information, what little we have at this point, suggests that the classroom has not been significantly impacted by this.

Mr Patten: Minister, this is an ongoing theme, but at this point has the ministry come up with or have you come up with a definition of "administrative spending"?

Hon Mr Snobelen: The Minister of Finance, in his statement on the 29th, indicated that the amount of expenditures in the education system in Ontario that were outside of the classroom were at least 30% of the just shy of \$14-billion total budget. That number will be elaborated on by the task force on education finance reform that's due to report in the first few weeks of January. That's one of the specific tasks of that task force, and my understanding is that the Sweeney commission, when it reports, will also have paid some attention to the amount of expenditures outside of the classroom. So we'll be able to better define that spending, I believe, when those two reports are submitted.

Mr Patten: Where would such services in terms of elementary or secondary fall as costs related to, for example, speech pathologists for special needs students, or guidance counsellors, or translators or social workers in schools? Where would they fall? Would they fall in the administrative area or would they fall in classroom spending?

Hon Mr Snobelen: I can get the numbers on what those expenditures are, and I'll refer to Peter to get those in a moment. But first let me say again that we'll have a better understanding of where the task force on education finance reform believes those expenditures should fall, whether it'll be in the classroom or out of the classroom, when that task force reports to us. We have been asked by the boards recently to look at some of the expenditures that are clearly not classroom expenditures. Some of those have been identified to us, and in round numbers

they are the \$600 million or so that we spend across the province relating to student transportation.

There are some different estimates of how much time is spent outside of the classroom by teachers, but recently the boards have addressed us about \$560 million worth of teacher preparation time. I understand there are other organizations that would estimate that amount to be significantly higher than \$560 million. And there's a little over \$1.2 billion spent on janitorial services in schools.

So we've had boards represent to us that there can be significant savings made in those areas without affecting the quality of those services and certainly without affecting classroom education. I'd ask Peter for the more specific numbers. Mr Wright?

Mr Wright: In the information that we have collected so far in the ed finance reform, the kind of staff that you were referring to, Mr Patten, are in a category that we call "other instructional supports." What we have done is to identify the teacher in the classroom and the material in the classroom as the centre part and then conceptually, as you move out, there are different people who come in who may assist the classroom—in some cases the students are moved out—so that they are in fact support services to the classroom. That is the categorization that we're working on right now.

In terms of the kinds of costs for that group, at the moment the numbers we're holding are about \$120 million for all of those kinds of services. As the minister has indicated, the other expenses are indeed over \$1 billion for the janitorial kinds of costs—that would include heating and so on—and about \$500 million for administration in school boards—all the secretaries, clerks and so on. We can go on through the detail if you wish, but I think the \$600 million for transportation is another example.

Mr Patten: Okay, it's still to be defined.

You made reference to the Finance minister's economic statement in which he identified at least a 30% factor as non-classroom costs. Then in his report, and I don't have it here, but if my memory serves me correctly he used savings from the expenditures for junior kindergarten as an example of non-classroom spending. Now why would he do that?

Hon Mr Snobelen: Well, I don't have a copy of that at hand. I can tell you that we have, of course, made very, very clear commitments on junior kindergarten. Those commitments I think were spelled out both in the Common Sense Revolution document that went out to over two million people prior to the election, and it was released over a year before the election.

In that document we committed to doing two very specific things with junior kindergarten and we reaffirmed those commitments in the throne speech. One of those was to review the junior kindergarten program—and we are engaged in the preliminary part of that review—and the second was to create junior kindergarten as a local option.

After Minister Eves's statement, we notified the boards with our intentions regarding the grants. I can get Mr Wright to give you very specific information on that, but basically in lieu of the fact that junior kindergarten is

now a local option, our intention is to fund it in a similar way to other education programs across the province. In my view, there is no real clear way to estimate what that cost might be next year, given that the local option for school boards means school boards may or may not offer junior kindergarten.

I assume representing the best interests of the parents and students and taxpayers in the local area, and of course the Ministry of Education's grant cost, if you will, for the next year will depend on which boards offer junior kindergarten and which boards don't. I believe that we'll have to wait and see next year to get the exact numbers on how much junior kindergarten will cost in terms of the grant program, but we are going to fund junior kindergarten, the same way the province contributes to other educational programs.

Mr Patten: Here's the picture I see. Let's assume that all the school boards that ran junior kindergarten this year will run it next year, although I don't think that's going to happen. By changing the category under which junior kindergarten will be funded—I think perhaps this is what Ernie Eves was trying to get at—you'll actually be spending less money, providing less money for the school boards to run that program, because they've changed categories, and because they've changed categories, there will be less money that will be going to the program. It would also change the ratios of the number of students that will determine the ceilings for grants for school boards.

So my question is, does this not mean less money, even if all things stayed the same, for support of junior kindergarten?

Hon Mr Snobelen: If I can reiterate, I agree with you that it probably is not safe to assume or speculate on the number of boards that will offer junior kindergarten. Again, I believe that will be predicated on the boards examining the needs of the students and the parents and the taxpayers in their local community, which is why we have suggested that this program should be optional, so that those boards can have a look at what their local needs are.

We have extended funding to junior kindergarten under the normal rate of grant, and Mr Wright will elaborate on that, so that it is a true local option, so that the local contribution to junior kindergarten will be representative of the local taxpayer contribution to other educational programs throughout the school system. I'm sure Mr Wright could edify us as to exactly what that grant formula is.

Mr Wright: Essentially, the way the system works—and you first have to understand how the GLG works, if I can sort of walk you through the explanation of how it actually happens—you have to start with what a school board is entitled to, which essentially is the number of students it enrolls times the ceiling.

Mr Patten: I know that process. My question was really, all things being the same, the same number of kids in junior kindergarten under the new formula, will less money go to support junior kindergarten than before? My assumption is that it does because it will put it in a new category.

Mr Wright: Less provincial money will go to support junior kindergarten, yes.

Mr Patten: That's right. Thank you very much.

If I can address the changes—and I found this interesting in the last couple of days, some of the comments that have been made regarding the cessation of grade 13 and what this might mean for grades 9, 10, 11 and 12—I wouldn't want to be a grade 9 teacher, I don't think, in this province. They must have gone through a lot of difficult times, with streaming, destreaming and now another form of streaming, presumably.

Minister, you talked about an external advisory committee which will work with you and the ministry on the changes to the secondary school system. I would be interested if you could elaborate somewhat on that, the authority it would have. Is it truly an advisory committee to you? It says "external advisory committee." Does that mean it will have a public reporting accountability as well or at least share information on some of its findings?

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Hon Mr Snobelen: I want to share with you certainly some empathy for the teachers of grade 9, who obviously will be going through, and teachers of secondary school will be going through, a curriculum development, but I'm told that's an ongoing part of teaching. Something that a lot of teachers look forward to is improvements in the curriculum so that they can make a better contribution to their students. So I'm sure they look forward to that and look forward to the resources that the ministry will be providing and the boards will be providing to help them do their job as professionals.

As to the exact nature of the committee, I turn this to Joan Andrew, who has that information.

Ms Andrew: The external advisory committee to the minister will be made up of people external to the ministry, but their advice will be to ministry staff and to the minister as we develop the policy for secondary school reform. The commitment has been made, though, that the draft policy for the new secondary school requirements will be out to school boards this spring for their feedback by the summer so that the final policy can be in place next fall. So boards have a year for implementation, between the fall of 1996 and the fall of 1997, when the implementation would take place.

The external advisory committee has representation from parents' groups, trustees, teachers, superintendents, directors of education, principals, the community college system, the university system and the business community. It's to look at the overall framework for high school and have input to the draft policies that will then go out for consultation. Then there will be a year for implementation so we can work with school boards and teachers in preparation for it. I think we've allowed enough time frame that we can help teachers get prepared for the new system.

Mr Patten: So they'll have a year.

Ms Andrew: They'll have a year after the final policy is announced, yes.

Failure of sound system.

Mr Patten: Minister, on November 2 you announced that at the end of this month the ministry will help school boards in three regions begin phasing in a new school-to-work program called Bridges. I'm wondering how that has gone and whether the three regions have been identified. If they have, who are they, and what programs might this replace, or where is the money coming from?

Hon Mr Snobelen: I'm glad that subject has come forward so early in this process, because I believe the school-to-work programs and the transition programs that we offer students across the province on a pilot basis, or, as we change curriculum hopefully on an across-the-province basis, will help those students who are not going to go to college or university immediately after they graduate. I'm told that some 70% of students in the province currently do not go directly to university from high school; they instead go to a training program or they go directly to work. I believe we need to concentrate some of our efforts on those students. I obviously have some personal empathy for those young people and I think this is an important part of that. I'd ask Joan Andrew to give detailed information on this.

Ms Andrew: The Bridges program will be part of pilots we're testing as we implement secondary school reform. It's part of the overall policy framework for secondary school reform to try and address the needs of students who are not university destined, as well as we have—the school system has—been addressing those. The final decision on the communities hasn't been made; it should be made shortly and any announcements will be—

Mr Patten: Next week.

Ms Andrew: Well, before too long.

Mr Patten: Likewise with the co-op program that you announced during this particular school year, indeed to the end of March 31, the approximately 25 innovative initiatives you talked about. I think these are worthwhile programs, by the way, and I've always felt we should be strengthening these sorts of programs and projects.

Can you tell me the status of the initiatives on the co-op program? Is it the same thing? Are they part of the same package of?

Hon Mr Snobelen: They are part of the same package and I share with you the importance of the co-op programs. I'm told there are some 60,000 students engaged in some form of co-op program across the province and that the programs vary somewhat. I had a chance earlier this week in the Ottawa area to have a look and talk to some students who are involved in co-op programs. From their enthusiasm for the work, I think it's something that needs to be shared with all the students who want to participate in the province. I don't know if Joan can perhaps elaborate on where we are with those initiatives.

Ms Andrew: We're hoping to have all of the announcements made relative to secondary school reform between the next—

Mr Patten: Where's the funding coming from?

Ms Andrew: The funding comes from the ministry's budget.

The Acting Chair: I think we'll move on to the New Democratic caucus and Mr Martin. Just for people's information, the Chair never attempts to divide up time between caucus members; caucus should do that themselves. I'll give you 20 minutes. Mr Martin.

Mr Tony Martin (Sault Ste Marie): I have no problem with that.

Interjection: Divide by one; no problem.

Mr Martin: We can work this out real quick.

I wanted to go back to yesterday for a few minutes, Mr Minister, because you made some comments—one anyway, and a couple that left me some concern and left me to think about before I got to sleep last night. It's some of the assumptions upon which a lot of your decisions are being made.

I don't think there's anybody in the system who doesn't agree that there are some changes required. The world is changing, the economy is changing, the need for training is changing and the population that needs to be educated is changing, but it's a question of what you base some of your very fundamental assumptions on as to how you approach that.

Going back to the issue of doing too much and doing it too quickly and not having at hand the kind of information that I would expect a government would have in making the kind of major decisions that are being made that will impact the lives of just literally millions of people across this province in significant ways—you have shown yourself to be a person who is not beyond, you know, creating a crisis. Yesterday you talked about gloom and doom and how dark it was out there and how these major and significant changes had to happen because of the terrible job that the Liberals and we had done when we were in government and all of that kind of thing. You didn't speak much at all to the fact that we have some very committed and hardworking individuals out there in communities struggling to do the best they can in a system that is, at the best of times, strained at the seams.

Yesterday you made the statement that the economy has in fact gotten worse since 1992 and that's why you feel you have to do what you're proposing to do by way of the dramatic, drastic expenditure cut that you're going to impose on the school system at whatever level in this province. All the indicators that we're looking at and that we can see paint a different picture, tell us something different. I can't but pick up the paper or listen to a radio program these days but hear from an economist who is saying that in fact things are getting better. Since 1992, there's been more investment in Ontario than there has been historically previously in that short a period of time, and when you hear of particularly the major corporations and the banks, when they put out their financial statements, they're making record profits.

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Why are we doing this? Why are we causing this kind of trauma to the system? Why are we going so deep when we really don't have to do that? I guess the question I have for you is, what indicators are you looking at? What studies are you looking at when you make the statement that the economy has gotten worse since 1992

and we're headed for hell in a handbasket here unless we do the kind of expenditure cuts that you're proposing we need to do in this province?

Hon Mr Snobelen: One of the references we might use is the public accounts of the province of Ontario, but let me address first the doom-and-gloom sort of predictions, because I find that observation just a touch startling.

I in fact believe that we do have some very significant problems in terms of the public accounts of the province of Ontario. I think we have a very big challenge and I think we share that challenge with our partners in education. They certainly have related to me and to others in the ministry that there are some challenges in front of the education system in the province and that we need to take them on.

I believe we need to take them on, as I said yesterday, to return vitality, opportunity and possibility to this province, to create a province in which the children who are currently enrolled in school, including my nephew and soon my niece—we need to create a future for them that's worthy of them where they can engage in the kinds of careers and challenging opportunities that I believe they deserve without the public debt that currently hangs over their shoulders.

I'm committed to and I know my government is committed to and I'm sure all the people in this House are committed to making sure they have a very prosperous future. So I would reject the gloom and doom. I think it's a function of looking at where we are really, taking on the problems that we have really, and creating that vitality and possibility and opportunity that our young people should enjoy.

There are some significant changes I talked about yesterday from 1991-92, and we discussed education in our publication. One of those significant changes is that the public debt of the province of Ontario has grown significantly, and with it has grown the interest cost of that debt. That interest cost now represents something in the order of \$9 billion. I think also we would all agree that the public is paying a rate of taxes such that the public certainly feels disinclined to contributing more to government.

Therefore, that has exasperated the effect of that increasing public debt and the interest payment on that debt, and it seriously threatens the social programs of this province. That's another reason why we believe it's time to take on those very serious issues and why there have been changes from 1991 or 1992; it's the growth of the public debt in this province.

I do concur with you that there are changes required in education. One doesn't have to look any further than the most recent royal commission on education, which spent volumes addressing what it felt were deficiencies and problems within the education system, making recommendations as to how those might be addressed. Some of those recommendations I concur with and some of them I would have some difficulty with. None the less, it found reason to comment on a variety of different challenges and problems that face education.

The rate of change socially has been commented on by a great number of people. I believe there are any number of studies that would indicate that we are in a significant change period socially, certainly in the western world. Again, there are a number of books and studies that have been published recently on that by virtually every author who works within the economy and within the business and other cycles.

There are those who would suggest—I believe Drucker would be one of those—that we are in the largest change period ever known to mankind. I can't substantiate that here today, but that's certainly the position put forward by people like Drucker who have studied the situation, and there are people like Rothschild who say that this is because the cost of information has declined by a million per cent over the last 20 years. Again I cannot substantiate that, but certainly serious people who have studied the economy make those sorts of assertions.

In that time of change, we clearly need to make changes on the public side, some of the same changes the private sector has already gone through. We need to do that to create a better value for taxpayers and, on the education side, to parents and to our students. If we are going to take on those three areas I talked about yesterday—accountability, affordability and quality—and if we're going to assure the young people that they have a vibrant future, and if we're going to make sure they don't carry the public debt that currently hangs over the head of the province of Ontario, we need to take some very dramatic actions right now.

Mr Martin: You've done very well again what you have succeeded in doing over the last two or three months in the Legislature, and that's to run around the questions we ask you and not answer the specific question we put to you. You have this mantra you trot out every time there's a tough or difficult question that comes at you.

I want to know on what you are basing the doom-and-gloom scenario you painted yesterday and that you talk about again today re the economy of this province and what you believe to be its inability to overcome the difficulty we went into in the early 1990s that created the debt we have, why it isn't able to pull itself out of there.

The answer you give reminds me a little of the fact that many, many years ago when somebody got sick, one of the ways we treated them was that we bled them. Nobody knew why, nobody knew if it was helpful, but it just seemed like a good thing to do and every now and again somebody get better when that happened, so we assumed it was a good way to deal with things. If we bleed the province for a while, bleed them long enough and hard enough, they're bound to get better.

I suggest it's not an approach that will prove to be successful in the long run, and what concerns me is that in the meantime a lot of people are going to be damaged. A lot of students are not going to be educated in the way they could be, had we made the changes suggested in the royal commission and some of the other studies that have been done, with the resources they needed to make those changes.

You may say that you're not dealing in gloom and doom, that the story you're putting out there is one of hope and prosperity, but it's not. I didn't talk very much yesterday about the post-secondary system, the college and university system, but today I had a chat in my office with some students who are really concerned about the increase in tuition fees. As a matter of fact, they brought this in for you; they didn't let me show it in the House today. There's a banner here that a couple of students from Humber brought in on behalf of the students at Humber. There are about 100 signatures on here of students who are very concerned. What it says, Minister, is: "Your cuts to education weren't on our wish list. Hopefully, our votes won't be on yours."

You want to consider that when you trot out your agenda, and consider the fact that students out there are traumatized. They're traumatized already by the fees they have to pay, and they're looking at an increase of 10% and 15% and maybe even more, because colleges and universities now have been given the right to increase their fees again by another 10%. They don't know where they're going to come up with that money. They told me that already at Humber over 90% of the kids are dependent on OSAP. Where was your reference to OSAP in the statement that came out two weeks ago Wednesday in terms of some relief for students? I don't know where that is.

I talked to some of the people working in the college system in my area and in other areas and they're traumatized. They don't know how they're going to deal with this.

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Getting back to the students, you spoke yesterday of lifelong learning and the changing face of students. More and more of the students in college and university today are adults, adults who have been displaced because of the changing workplace who are now going back to school to get education. They have families, they have responsibilities, they have mortgages, all kinds of worries and concerns. How are they going to be able to afford education? How are they going to be able to afford to take advantage of the new opportunities that are going to come at us as the economy changes if they can't afford to go to colleges and universities? And how are colleges and universities going to deal with the cuts by way of the statement you put out two weeks ago? How do we put all this together? How do we deal with this obviously very difficult situation you've created and are going to impose upon the folks out there who want to do education, both those who deliver it and those who want to receive it, in these kinds of circumstances?

I'm sure the two students back here will be very interested in what advice you could give or what answer you can give to that question.

Hon Mr Snobelen: First, let me correct something. I want to thank you for your observations regarding my answers, which I assume you meant as a compliment, and I'd like to correct just one thing in your statement or your question that was perhaps a little erroneous. You made reference to a situation I had created. Sir, I'd like to refer you to the last five years of governing.

Mr Martin: This is just another of your pat responses to a serious question.

The Acting Chair: Perhaps you would permit the minister to respond to your question.

Mr Martin: We have students here, Mr Chair, who want the answer to the question I asked, and now we're going to have a history lesson of what we did over the last—you're the government now. It's in your hands.

Hon Mr Snobelen: I've got lots of time. How much time have you got, sir?

Mr Martin: I've got all kinds of time too.

Hon Mr Snobelen: Then just keep talking. I've got lots of time.

Mr Martin: Go ahead.

Hon Mr Snobelen: Oh, really? Is it okay now? Are you fine? Are you happy? Have you finished saying what you'd like to say? I don't want to interrupt you.

The Acting Chair: Let's address the questions and answers through the Chair and perhaps we'll get along a little better here.

Hon Mr Snobelen: Again I want to correct. "The situation I have created," I believe is an erroneous statement. I think you talked earlier about specific numbers. I'll give you a few.

Our total spending in the province per capita publicly in 1974-75 was \$1,018; in 1980-81 it was \$1,709; in 1984-85 it was \$2,818; and in 1994-95 it will be \$5,049—an incredible record of spending. Yet you have just indicated that somehow or other, despite that dramatic increase in spending, the life and times of students and other people across the province seems more dismal, by your account.

Let me tell you what that's done, though. Despite that kind of spending, despite something like over 60 tax increases in the last decade, let me tell you what's happened to our deficit per capita. It's gone from \$67 in 1974 to \$905 in 1994.

The actions of previous governments have done this to students across the province: It's left them with a higher debt; it's left them with the legacy of a province where they have a little less opportunity than the people in my generation had a very few years ago, because as you know I was a student a very few years ago.

As to the questions regarding mature students, that is not a new phenomenon, although it is a growing phenomenon across the province as mature people return to university. I believe that's a trend. I have some personal experience of mature students, and while I can't relate personally with their circumstances, I can certainly relate personally with the circumstances of their children. In fact, my dad attended university at a later stage in life, so I have some sense of what that is like for the family and certainly for the student.

There are very serious issues that face post-secondary education in the province of Ontario, issues of accessibility, issues of relationships between institutions. Those, we believe, need to be discussed; they need to be discussed publicly. That's why in the minister's statement on the 29th he announced that we would be, in the very near

term, bringing out a discussion paper on just those issues, so we can speak with students, with concerned taxpayers and most certainly with the universities and colleges to have a full airing of and to design some answers for those very significant questions. This government is taking those on, I believe, in a very responsible manner.

Mr Martin: It seems to me that what you've done is that first you punch them in the head, then you kick them in the belly, and then you say to them, "Now let's have a conversation about how we get well together here, how we grow as a community and change the system." I suggest to you that that is not a good way to start.

Yes, indeed the expenditure on education has increased over the last number of years because previous governments, both our own and the Liberals', realized how important education is and was going to be in a changing economy. For you to now be pulling money out of that system at a time when it really needs it more than ever before is rather immoral, to say the least.

You gave us a little history lesson. Let me give you a little history lesson, another view of what happened over the last four or five years. As I said last night, they were four or five years where we had a difficult economy to deal with, where expenditure went up, particularly in the education system, as people who in the early 1990s lost their jobs returned to school. We needed to make sure there were the resources in place to allow them to do that.

You're going to increase tuition in the colleges by 15%. This kind of increase is sure to have an effect on enrolment. In order to deal with this level of cut and declining enrolment, colleges will be forced to look at their programs. They won't be able to offer the kind of opportunity to people that you suggest they need to.

The Acting Chair: Mr Martin, if you're hoping for a response, there's about a minute left.

Mr Martin: I'm just going to make a couple of statements here and then we can move on.

The cuts to the college system threaten the training system we have all worked so hard to build and reform over the last number of years.

Almost 30 years ago, Ontario's Minister of Education, Bill Davis, created the community college system. Ontario's college system has been a real success. In 1989, the Minister of Colleges and Universities, Lyn McLeod, commissioned the Vision 2000 report to create a renewed mandate for the college system.

The changes in the community college system in the five years since that report was completed demonstrate how responsive, flexible and cost-efficient the community college system is. Between 1990 and 1995, as recommended by Vision 2000, the government made many important changes:

(a) A system of prior learning assessment was introduced to ensure that students received full credit for their academic and non-academic experiences—

The Acting Chair: Thank you.

Mr Martin: All of these are under threat.

The Acting Chair: I'm sorry, Mr Martin, your time's expired.

Mrs Lillian Ross (Hamilton West): I'll begin where I left off yesterday. I have two daughters, one in university and one in secondary school. I have many questions to ask, but so do all of my colleagues, so I'll just start at JK, the beginning.

I met with some OSSTF teachers, plus the OTF, about two weeks ago and I also met with some early childhood educators. One of the suggestions brought forward to me as a way of reducing costs in delivering the service of junior kindergarten services was that we allow early childhood educators to take on the responsibility for junior kindergarten. I wondered what the ministry thought of that proposal, or has there been any thought into that, and is there anything we can do to help local boards provide that service?

Hon Mr Snobelen: Thank you for the question. I believe there are probably some in the room who would be interested in my answer to the previous question, and I'll be very brief so as not to use up your time, Mrs Ross.

Mr Martin, I want to assure you that I don't believe it's moral to leave the children of this province the kind of debt we've left them with, and that's one of the reasons we want to address that.

Mr Martin: Don't take away their future, though, and make it impossible for them to go to school.

The Acting Chair: Order.

Hon Mr Snobelen: Secondly, I just want to comment on your courage in questioning the tuition fee increases that we have regrettably had to put forward in the system, that may come forward in the system, given that the previous government raised tuitions over 50% over the last five years. I admire your courage in bringing that up in this room.

Now if I can, I'd like to address the question on junior kindergarten. We have looked at a variety of different methods of providing those services to young people across the province and we have begun to address in our review some of the things you've raised today.

My understanding is that school boards are restricted currently in some of the ways they might offer those programs under the Education Act and that some of the services that are provided for young children across the province under the Day Nurseries Act cannot be provided under the Education Act by boards. I'd ask Joan Andrew to elaborate on the legal side of that, if she can.

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Ms Andrew: I'm going to have to pass on the legal side of it but the act does limit at present who can teach in a school board, but I know there have been discussions within the stakeholder community as to what would be an appropriate mix of teaching staff. There are ministry people and Mariette Carrier-Fraser could address it in more detail.

Ms Mariette Carrier-Fraser: I'm assistant deputy minister, and I won't give the title. As far as qualifications for teachers are concerned, it's basically a requirement of the regulations that have been established within the Ministry of Education and Training that teachers in junior kindergarten have to have a teacher's certificate valid in Ontario.

Mrs Ross: But can anything be done to help the school boards? Can regulations be changed such that—

Ms Carrier-Fraser: Definitely, and that's a dimension that's being explored as we're looking at reductions that have been announced. We're working presently with school boards to see what would be possible about using diversified staffing for JK, such as early educators, to offer the program. But then we'd have to define the program itself for junior kindergarten to make sure that the quality is still there.

Mrs Ross: Do we have any idea when you might come forth with some sort of proposal?

Ms Carrier-Fraser: Basically, we outlined the expectations when our minister sent the letter out to school boards advising them of the reductions after the economic statement. We indicated in there that we'd be working with school boards and stakeholders to address those issues. We're working with them, as a matter of fact, right now, both school trustees, the teachers' federation, the supervisory officers' association, to look at a concrete proposal. It's one that's been put on the table by several members.

The Acting Chair: Mr Brown, Scarborough West. I've been waiting for two Parliaments to be able to say that, Mr Brown.

Mr Jim Brown (Scarborough West): My wife is a secondary school teacher and every other night I go home, I get a question about the College of Teachers. She keeps asking me how this is going to help her.

Hon Mr Snobelen: Just every other night, Mr Brown? It's seems inordinately frequent.

The College of Teachers: Let's have a look at some of the history. It's been recommended by a number of people who have studied the current environment that teachers work in, last and not least, the most recent royal commission, which made an observation and a suggestion.

The observation was that it was difficult, if not impossible, for an organization designed as a bargaining unit to both protect the rights of its members as a bargaining unit, as a union, and to represent those same people as a professional organization. The royal commission pointed out several areas where those two completely different approaches would be in conflict. So it recommended that teachers be represented on the professional side by a College of Teachers and that that College of Teachers be responsible for the pre-service and in-service training and professional development of teachers and that it be responsible for discipline of teachers.

The previous government set up an implementation committee for the College of Teachers and we have acted on or suggested that we will act on the recommendations of that implementation committee after we've reviewed those recommendations with the stakeholders in this area, including the Ontario Teachers' Federation, to review those recommendations and come forward with the legislation that will establish a College of Teachers. I believe it'll help by clearing up those two very distinct roles and by making sure that those two organizations will be working in the best interests of their members, one professionally and the other as a bargaining unit.

Mr Frank Sheehan (Lincoln): In your document—and I realize it's not your document; it kind of covers two years—is the philosophy of child-centred learning going to be pursued or are we going to get away from that?

Hon Mr Snobelen: It's interesting. When I arrived at the Ministry of Education, I must tell you that there were a variety of acronyms to learn and there were a variety of statements that I found couldn't be defined by their opposite. I'm interested in what is the opposite of child-centred learning. If it means that the child is at the centre of the effort of everyone involved in education, then I think that's an obvious thing. Obviously, students are what the education system is there for. So I don't believe the term is very definitive and it's not a term I use because it's not very definitive. I think it's an obvious statement of the intention of educators.

Mr Sheehan: I think we've had 20 years of it. Child-centred learning says the child will develop at its own speed and its own time and their biggest problem is to create for that child a sense of self-worth, that it'll be wonderful and marvellous and everybody will be appreciated, except it's been graduating people who can't add, subtract, read, write or think. Is it the ministry's policy to get to a point where we're going to be able to test objectively the progress of students on standardized curricula and standardized tests?

Hon Mr Snobelen: We've recently made some announcements that I think take us further along the path of certainly having a more accountable education system. One of those is the establishment of the Education Quality and Accountability Office, which will have the responsibility of testing students across the province. I think parents and taxpayers will be reassured that students are being tested by an agency that's been set up outside the Ministry of Education and Training.

I believe we obviously have some parts of education for young people that are quantifiable and some parts that aren't. It seems to me that because some things aren't quantifiable—some of the self-worth issues that you've brought up are not quantifiable—does not mean that we shouldn't report on and test and regularly assess those things that are quantifiable, things like literacy, numeracy and the kinds of skills that young people need to be productive and to be valuable and to have that self-worth. I think we should test it on a regular basis and assure parents that their children are receiving an education that provides them with what represents literacy in this society.

Mr Sheehan: I'm thinking about the concept of garbage-in and garbage-out, in the computer vernacular. If you are not addressing what is in the curriculum and if the curriculum is not designed specifically, then you're going to be testing something that has a specious history.

Hon Mr Snobelen: To get into the specifics of what we are now examining curriculum-wise, I'd ask Joan Andrew to give you some little better information on where we're currently at.

Ms Andrew: Marjorie Mercer is the acting director of curriculum.

Ms Marjorie Mercer: I think it's very important that we look not only at assessment—the minister has pointed out the importance of that strategy—but we need to combine the work that we're doing in assessment with setting high standards and being much clearer about what we expect children to learn at the end of all grades.

First of all, the strategy that is being looked at for the comprehensive testing program will be looking at grades 3, 6, 9 and 11, which I think are key years for students as they move through the system. It's very important to look early in the system and then to look later as our children and young people progress so that we have an ongoing way of looking at how individual students progress, but also overall at the successfulness of the system.

We then can take these results and look for ways of improving. I think it's very critical that be connected directly back to the kind of curriculum that is in the schools. Right now, and the secondary school reform was referenced earlier, there will be a major look at curriculum in the secondary programming. It will be very key as we move to a four-year program that there is a strong curriculum component in grades 10, 11 and 12. We've earlier referenced grade 9 and the resulting changes there. But I think it's important to note that we will need to then look back to the curriculum from the early years up to grade 8 to ensure the demanding core curriculum that we would like to see there.

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Mr Sheehan: So the short answer is that we're going to start testing where we're at and get around to changing what's going in?

Ms Mercer: Right, testing for improvement.

Mr Rollins: The question I am a little bit interested in is that if 70% of our students are not going to go on to university, that means a goodly number of those students are going to be going into the field of trade. When we establish those trade barriers or requirements to let these people in, we must be a little bit more connected with industry, particularly in the trade fields of mechanics, electricians, carpenters and things like that. We have to somehow or other establish our education time in the classroom at a time when it's convenient for those people to be able to go to school rather than at a time when it's convenient to be taught. There's a big demand there.

Taking a carpenter off in the summertime to show him bookwork and things of that nature is absolutely ludicrous; the same as it is trying to teach a mechanic something about starting cars in the cold winter. Those are the times when those people should not be in the classroom, and yet under our present system that's when you're trying to teach them. We've got to get a better grasp on that. I wonder whether you've got some thoughts on that, on putting those tradespeople at a learning time when it works well for their systems.

Hon Mr Snobelen: I want to point out that my jacket didn't suddenly develop a wrinkle; it was Joan Andrew pulling on my shirtsleeve because she is very involved in the training aspects and the vocational aspects of education in Ontario.

I'd like to first comment, though, that I concur with your observations and that I believe our transition programs need to be matched by having programs that meet the needs of people, both young people and mature students who need to come back and upgrade some of their skills. I'm very familiar with that and very familiar with some of the apprenticeship programs across the province that need to have some change. With that, I'll give you Joan Andrew.

Ms Andrew: As we look at both secondary school reform, which we mentioned earlier, and look at options for students who are destined to the world of work straight after high school, both the Bridges program, which I referenced earlier, the co-op ed reforms, and the secondary school workplace apprenticeship program are aiming at trying to make a closer transition between the school system and the world of work and that training.

In addition, in the traditional apprenticeship system, we are, as part of our review of the training system, looking at a reform of the apprenticeship system that would move more from what I think has traditionally been called "block release" to day release, the kinds of things that other jurisdictions have undertaken which make it easier for both the apprentice and the employer to release people for their theoretical learning side.

There are other options that technology will allow us to look at in terms of people doing some of that theoretical work on their own through a computer, because so many apprentices are mature people with families and homes, and relocating them from northern Ontario to southern Ontario for a classroom may not make sense. We may have other options around technology and distance education that would help make that theoretical learning a more integrated part of their work.

Mr Rollins: One thing I think we should take in—and I won't take too much time, to let the rest of them have their time—is that some places in some other countries have put in where they work a week and go to school a week and rotate in that kind of fashion. I think that does help and should be maybe be considered, time rotating.

Ms Andrew: Some jurisdictions have looked at one day a week too.

Mr Rollins: Yes, that's right.

Ms Andrew: So they work four days—

Mr Rollins: To rotate, right.

Mr Toby Barrett (Norfolk): A question to the minister with respect to the reform of education finances: Yesterday you addressed the principle of a fairer tax burden, an equality of tax burden on local ratepayers.

This is a real concern in my riding with property owners and farmers. In spite of the tax rebate there is still an uneasiness around this, the funding of children's education through property taxes. To this end, you've established a working group of trustees, teacher unions and board staff.

My question is, are you also receiving input from farmers and property owners who are footing most of the bill through their property taxes for education of our children in certainly the elementary and secondary school levels?

Hon Mr Snobelen: Certainly I want to point out that there are three reports we're waiting on that will in some way address the equitable funding of education across the province. One of those is the task force on education and finance reform. The others are of course the Sweeney commission that's been talked about and the report of the Golden commission. All of those, I believe, will have some comments that will be useful in how this system might be revised.

We will be seeking input once those reports are in. If I believe that we haven't had a representation from a segment, including those in the rural areas and people on farms, then I perhaps can go out and get some.

Candidly, I believe that I speak a couple or three times a week to a farmer, who's my mother, and she has brought up the subject of farm taxes in the past and I'm sure will bring them up in the future. So it's something that's not far from the front of my mind.

But we do need to have a better system, I believe a more equitable system so that all of the children, all the young people across the province have the same opportunity to an education and we need to raise that tax revenue in a way that makes the most sense.

There are several different examples of how that's done across Canada and we'll be looking at those other jurisdictions in Canada, how they fund education and to be instructive to us as to what might be the best model for Ontario.

The Chair: Thank you. In rotation, Ms Papatello.

Mrs Sandra Papatello (Windsor-Sandwich): I have a few questions for the minister. Specifically regarding junior kindergarten, how are you proposing that the school boards implement junior kindergarten with half of the funding being cut?

Hon Mr Snobelen: To reiterate what has been said, we have lived up to our commitment to the people of Ontario. As we announced in the throne speech, we will have junior kindergarten be optional for boards across the province next year. So boards can work within representing their local taxpayers, their local parents, their local students and addressing the local needs, decide whether to offer a junior kindergarten program.

If in fact they do decide to offer a junior kindergarten program, the ministry will fund that program in a like and similar manner to the way it funds other grades. Part of the cost, depending on what board and what area of the province, depending on their municipal base, the province will fund as they would in another part of the education program. So it will not in fact be 50% in some areas. Obviously the province does not contribute directly. In some areas the province contributes a much more significant amount than 50%, so that figure is not accurate.

Mrs Papatello: If all of the school boards then come back to you, once they've determined whether their local communities require it and wish to offer it, if all of them were to come back to you and say, "Yes, we'd like to keep JK," then will you fund all those that are requesting that?

Hon Mr Snobelen: We will fund junior kindergarten on the per-pupil grant. The formula will be the same as other educational services across the province.

Mrs Papatello: So half of the funding then is gone.

Hon Mr Snobelen: No, that's not accurate to say that half of the funding would be gone. That would do two things. That statement would be inaccurate from two points of view: One, you would have to predetermine in fact what boards would choose to offer junior kindergarten in light of the needs of their local community and you would have to make some assumptions around that that have not yet been made in order to say 50%. In any event, it would not be 50%, it would change from board to board. We would fund under the same sort of formula we fund for other grades in the school. I believe that Mr Wright has already given us that information. If you'd like to have that information read back into the record, Mr Wright, would you like to—

Mrs Papatello: No. We have to make a deal. I'll make my questions short if you make your answers short.
1700

Hon Mr Snobelen: Perhaps my responses would be a little bit briefer if your questions are a little more accurate.

Mrs Papatello: Okay. We're going to keep this on the up and up. Do you agree overall in principle with the importance of early childhood education? You said so again today in the House.

Hon Mr Snobelen: I'm sorry, I didn't hear the start of the question.

Mrs Papatello: Do you agree in principle with the importance of early childhood education and its impact and success rate on pupils when they start going through early childhood education, the eventual impact as a success marker for children?

Hon Mr Snobelen: I don't dispute and I have not heard anyone connected with my party dispute, and I believe we made clear in 1992, that we believe there is certainly a component of education or an educational component to early childhood experiences.

Mrs Papatello: I guess I'm asking you to reconcile for me that one ministry, not yours, would go through some exercises to look at changing the regulations to the Day Nurseries Act as it applies to early childhood education, child care centres etc, and everyone who would fall under that act.

How can one ministry be—and this is confirmed by that ministry—specifically looking at the level of education required for those supervising the children and the ratios? They're actually looking at downscaling the quality of the supervision that the children would have. One ministry is doing that while Education and all of the programs that your colleges offer are promoting the need for quality in early childhood education? In fact, you have many programs within colleges across Ontario that offer tremendous early childhood education certificates.

How do you reconcile within your cabinet that you, within your own colleges, are promoting early childhood education, pushing students through the system to work in the field, while one other ministry is looking at

changing the act which regulates how those people will eventually work in the workforce?

Hon Mr Snobelen: I can't obviously speak to what another ministry may or may not be looking at.

Mrs Papatello: I would point out the principle; the principle of it, it just doesn't jibe.

Hon Mr Snobelen: I can relate to you, and perhaps this is an interesting observation—again, I can't speak on behalf of what another minister may or may not be thinking or another ministry may or may not be doing. However, I was, as I said earlier, in the Ottawa area earlier this week and I had a chance to be in a vocational school that was teaching special-needs children.

One of the comments from one of the teachers I thought was rather instructive. She asked me how it is that her graduates, predominantly female young people involved in a program where they learned nursery skills—in fact, they had a nursery in the school and they brought very young children in a couple or three times a week and they taught these special-needs kids how to look after young people. Obviously they would, in the working world, need some supervision, and they had a school-to-work program set up for these young people. I visited another similar program in Peel three or four weeks ago, and in both cases the teachers told me that there was a barrier to these special-needs young people in becoming involved, in becoming a useful and productive member of our society because the Day Nurseries Act prevented them, as it currently exists, from taking a useful role in a nursery school after they had training.

Mrs Papatello: So would you be prepared, then, to speak to your colleague in the Ministry of Community and Social Services, that because your very programs espouse the importance of early childhood education and what that means to children in terms of their successes and their futures, that those items that would change the Day Nurseries Act, that offer less quality as the outcome for those who would be eventually supervising in child care situations—would you be prepared to make that kind of presentation?

Hon Mr Snobelen: My colleague at Community and Social Services I know is very aware of and concerned about young people across the province, and so am I. We have worked cooperatively in the past and we'll be talking again in the future about how we might best do that, and particularly how we might best meet the needs of those who are most disadvantaged.

Mrs Papatello: In the area of nutrition in the schools, your leader, the Premier, spoke for several years about the importance of nutrition in schools specifically. He often described what actually are feeding programs and didn't make the distinction, but as we go through I guess we were all talking about nutrition programs. There currently is funding, I think, somewhere, for emergency food being available. Is that right? Emergency food for schools.

Hon Mr Snobelen: I'm not aware of an emergency food program. I am aware of a program, about a \$1-million program, that was started by the previous government that we have continued that provides a beginning for pilot projects dealing with breakfast programs for children.

Mrs Pupatello: Is that in your ministry.

Hon Mr Snobelen: My understanding is that in fact there are several of those programs in the Windsor area. I'm sure Joan Andrew can—

Mrs Pupatello: Sorry, Minister. Is that in your ministry you're speaking of?

Hon Mr Snobelen: No, it's in Community and Social Services.

Mrs Pupatello: Is there any funding in your ministry for nutrition programs currently, anywhere?

Hon Mr Snobelen: Not that I'm aware of. Again, I can ask Joan Andrew if she has any—

Mrs Pupatello: Okay. If I may, if there were changes being suggested to you in the Education Act that didn't include additional resources that did allow other ministries, for example, to enter into the education system, specifically to provide nutrition programs, would you be receptive to that if it didn't include additional resources on the part of your ministry?

Hon Mr Snobelen: I would certainly entertain any program that I believe would be beneficial. I understand that there is a person—one of my colleagues is now responsible for investigating different ways of providing breakfast programs. In fact, I attended a meeting on that subject last week and I can tell you that that individual's working hard in that area.

Mrs Pupatello: I have to tell you that I met as well with that colleague and, to date, they had yet to see one breakfast program that had actually been to any school anywhere. I was very disappointed with where it was to date, and so I hope that when you are offered that opportunity to make that change in the act that allows the Ministry of Health who does have the mandate for nutrition in the communities that you would consider that and allow that kind of change because again it won't mean additional resources.

I'm going to change my time. Thank you.

The Acting Chair (Mr Wayne Wettlaufer): If you're in rotation, Mr Miclash.

Mr Frank Miclash (Kenora): Mr Minister, I come to speak of my favourite bugaboo here in terms of a northern concern, and of course that being school board amalgamation. If you can maybe just update us as to what will happen come December 31 with the report that I understand is going to be presented to you.

Hon Mr Snobelen: I don't know that that is the exact date. It certainly was scheduled for the end of December, and I wouldn't be surprised if the report did not come forward until a week or two after that. I haven't got an update on when the report will be in, but it'll be some time towards the end of this month.

The interim report, of course, has generated, as it was intended, I assume, some considerable amount of public input and I assume that public input is now being considered by the commissioners.

When it is received, it will be received about the same time that we receive the other two reports that I have mentioned here earlier. We will consider, and I will certainly consider, all three of those reports as they relate

to how education might be funded more equitably across the province and what the proper governance structure is. I believe both of those issues need to be looked at.

Mr Miclash: Minister, what was the saving that was provided in terms of not doing the public hearings across Ontario? What kind of a saving was realized through that?

Hon Mr Snobelen: I'm sorry, I don't have that. Perhaps someone here might identify it. The reason why I don't have a specific number—and I can bring it the next time we meet; I will make sure that we bring the exact number. The reason why I don't know is because that decision wasn't financially driven or at least primarily financially driven. It was driven by a belief that we could use some of the modern technologies to have people be in touch with the commission, including the Internet, including the 800 number and of course the mail-in.

So we believe that we gave the people of Ontario a better chance to respond to the commission's interim report. I believe over two million copies of the report went out so that at least as many as possible of the people across Ontario could have a chance to have a look at that interim report and make comment on it.

1710

Mr Miclash: Minister, are there any analyses or studies that have been done to show the cost savings that will come about through amalgamation of boards in the province?

Hon Mr Snobelen: The interim report was not costed, and I'm led to believe that the final report will be so there'll be some identification in the report of what savings will be made available by implementing that commission's final recommendations.

There are a variety of different approaches to school boards across the country. I know Nova Scotia has recently gone through a rather dramatic downsizing of boards and is now contemplating even a further downsizing. They have some very real evidence that it produced some savings for that province.

Mr Miclash: Minister, you talk about communications and modern technology, and what I'm hearing in northern Ontario is that they would like to have an opportunity to have you visit the particular boards and note the distances between the boards. For example, if you go to Kenora, Red Lake, on a good day of driving, with proper maintenance, you're talking a good three-, three-and-a-half-hour drive. I'm just wondering if we could get a commitment for you to visit northern Ontario some time between now and when you make that final decision to understand the differences between boards in northern Ontario and those that you are probably more familiar with here in southern Ontario. Would you make that commitment?

Hon Mr Snobelen: I'm scheduled to visit a variety of school boards and schools across Ontario in early January. I don't know the exact locations. I don't have those exact locations here. I assume that they're across the province geographically, and so I intend very much to visit the north and look at the different circumstances facing different boards.

Mr Miclash: Okay, and during that visit I would assume that amalgamation would be one question that you will be looking at for a final—

Hon Mr Snobelen: If the visits I have had in other regions of the province are any indicator, that subject will probably come up.

Mr Miclash: In terms of taxes for northern residents, we talk about assessment-rich boards, assessment-poor boards. Has any consideration been given to the differences among those boards when it does come to amalgamation? Is there anything being looked at in terms of this?

Hon Mr Snobelen: Again, that's a subject that I believe will be addressed by Mr Sweeney in his final report. I can say that the task force on education finance reform, which is also reporting about that same time, has had a look at the different costs of education across the province, which I think will also be very instructive.

Mr Miclash: I guess what we're mainly looking for in terms of the final decision is on areas that I've indicated in the House where this will be proven to be cost-efficient and at no reduction to services to the children in the classroom, if you would just like to comment on that.

Hon Mr Snobelen: I would concur with that. I believe we also have another issue to look at in terms of value—because we can't be driven completely by costs, we must be driven by value, which is that area of quality—and that is accountability. I believe we also must make sure that the system, the education system across the province, is accountable both to those who pay for it—and the local taxpayer currently pays a substantial amount of the education costs—and to those who use it, the parents and students. That obviously is part of the role of a trustee and we need to keep that accountability in place. So we'll be cognizant of that when we review the committee's report.

Mr Miclash: On to another subject: Since your appointment as minister, what kind of consultation or input have you sought or undertaken through native organizations in the province?

Hon Mr Snobelen: I have met on two occasions with native organizations and I believe we have further consultations scheduled. So we have begun that process. I don't know whether there's someone here who can fill in what is scheduled. We can certainly bring that forward to you tomorrow.

Mr Miclash: Thank you. In terms of the Ontario College of Teachers, I'm just wondering, what is the current role and what will be the role of the program policy support team once the Ontario College of Teachers is established?

Hon Mr Snobelen: This is a matter that's internal to the ministry, and perhaps I'd refer this to Joan Andrew.

Ms Andrew: The reorganization of the ministry in light of the establishment of the College of Teachers will have an implication for a number of ministry staff. I think it's probably best that we can address that in light of the estimates for next year. I don't think final decisions have been made yet.

Mr Miclash: I guess what I have to ask as well is, do you and the minister foresee any additional cost within

the fiscal period of these estimates associated with the establishment of the college?

Hon Mr Snobelen: We can get you some very specific information on that. Mr Wright always has very specific information.

Mr Wright: In this case, Mr Wright's going to have to say that I don't have the numbers with me at the moment but we will bring forward to you the costs that are associated with it.

The Acting Chair (Mr Michael A. Brown): You have about a minute, Mr Miclash.

Mr Miclash: Okay, my final question, I guess, will take a look at schedule Q of Bill 26. This amends the School Boards and Teachers Collective Negotiations Act to require arbitrators to consider specified criteria, including the employer's ability to pay. I guess what I'm looking for is what this amendment is designed to accomplish.

Hon Mr Snobelen: In the case of education, as you know, a matter being sent to arbitration would only happen if in fact the bargaining unit and the board did not reach an agreement and they were directed by the minister to do so through this Parliament. This would request that the arbitrator consider the financial circumstances of the employer—in this case, in the case of a teacher, the board—to take that into consideration when making an arbitration award.

Mr Miclash: Thank you, Mr Minister.

Mr Martin: Certainly at another time I will want to follow up on some of the questions the official opposition have presented today, particularly where it concerns junior kindergarten. I'll be interested in some of the information that you've based doing away with day care, or child care, and downsizing junior kindergarten, making it less a priority, what information you base that on. I'll want to talk a bit further at another time about the question of nutrition and poverty and the fact that it makes sense that families be able to feed their kids at home, and with the money that you've now taken away from them, that makes it really, really difficult.

But for now I've got a couple of students here who are interested in another question that I promised them I would ask, a couple of college students, who in looking at what's coming at them and trying to determine what their future will be and trying to get excited about it—and I'll tell you, they're having a very difficult time doing that. They're part of this very large group that is becoming more and more traumatized as they begin to realize the impact of the expenditure cut that this government is delivering, just to deliver a tax cut to their wealthy friends.

Both of these students are in the social work program at Humber, and they were looking at some jobs out there that they might be able to access not too far down the line. They see you cutting the public service in this province by 10,000 to 20,000 people. Some suggest that if you're going to reduce the amount of money spent by government in this province by \$6.6 billion, which is what was in your statement, or six point something, over \$6 billion, that in fact that factors out to be closer to 100,000 jobs.

They want to know where they're going to get work. They want some detail on the 725,000 jobs you talked about in the election campaign that you were going to create. They want to know, what are these jobs and where are they going to be and are they in fact in the right course at this point in time or will they have to come back in a year or two and take another course, when you've upped the tuition fees probably again and reduced the amount of money that colleges have to actually in fact offer courses? They're very concerned.

1720

The other question they asked me in my office today was, this 725,000 jobs: Some of them are obviously going to be replacement for the jobs that you're going to be cutting out of the public sector, because the services will have to be delivered. Are they going to be part-time? Are they going to be minimum wage? Are they going to be jobs with no benefits? Is there going to be any future there for them in all this?

I guess I ask you that question: Where are the jobs? What are the jobs going to be for these kids—and I'm sorry; I used that today too—for these students? Students aren't necessarily kids any more, and I have to get beyond that. But where are the jobs going to be for these folks who are now in our colleges and universities in the next year or two or three as you significantly reduce the number of jobs in the public sector and say nothing—absolutely nothing—about the kind of job that's going to be produced in the private sector that you feel is going to just flow in and take over where government has left off?

Hon Mr Snobelen: I believe that certainly for students in colleges today—and again I find it incredible, and I do again want to acknowledge your courage for bringing up the subject of tuition after the former NDP government raised tuitions over 50% in your term of office. I think that shows great courage on your part.

Mr Martin: Get it right. It was 42%.

Mrs Papatello: It was 42%, just for the record.

Hon Mr Snobelen: Not by the numbers that I have here, but I'll let you add them up. It seems like a substantial amount to me, and I acknowledge why that was done, because I've talked to students across the province and they understand that they need to share responsibility for paying for the education and they understand that they will in fact be doing that in the future. They're very responsible people, the students I've talked to.

Mr Martin: If I might, Mr Chair, my question wasn't about tuition fees, it was about where the jobs are going to be.

Hon Mr Snobelen: Mr Martin, I have difficulty sorting through the preamble for the question sometimes, and I apologize for that. As far as the jobs are concerned, again, our party laid out its platform very clearly to the people of Ontario a year before the election, sent out over 2 million copies of that plan, and we believe that a vibrant private sector is what creates jobs and that in order to create a vibrant private sector that can provide jobs for people now and in the future—because I'm concerned about this for my nephew and obviously my niece—we need to do two things.

One of those is get government spending under control, because we believe higher and higher levels of public debt don't lead to a vital private sector that's spinning off the kind of jobs that our young people are going to require and don't attract the kind of investment to this province that we need to have.

Secondly, we believe that the creation of jobs and wealth in the province is not consistent with high levels of taxation, and that's why we proposed and then plan to implement a tax reduction, which we believe will be an economic stimulant in the province of Ontario.

By the way, a tax reduction to people—my friends in the trucking industry who drive trucks, now, you believe that those people are rich. I don't believe so. I think they're middle-class folks who are trying to put their children through university or college or school, who are trying to pay off their mortgages and who will most certainly enjoy and put to good use the first real income change or increase that they've had in probably the past decade, and that'll be provided by lowering their taxes to a more competitive rate. I believe that'll bring competition, vitality, prosperity to this province and it'll actually increase the number of jobs that are provided: full-time, permanent jobs that are provided through the private sector. I have a profound belief in that.

Mr Martin: I guess I'm going to ask you to be, if you can, a bit more specific about the job that you think is going to be there in the private sector for these students to move into, because I'll tell you, the indication that I have in my community re what the private sector is about and going to do is not very hopeful either.

I don't know about you in Windsor, but just recently in Sault Ste Marie we had three industrial sectors that are looked upon as sort of cutting edge; they're out there. Telecommunications. They're where the work is going to be, apparently, where the private sector is going to invest its dollars, and the taxes that they're going to save they're going to invest in these companies and they're going to develop new opportunities.

But in Sault Ste Marie, Huron Broadcasting, MCTV, Shaw Cable and Bell Telephone, just in the last six months, have laid off a whole whack of people.

This is the sector that's going to pick up the slack, is going to create the jobs, is going to be there for these folks to work at when they're finished school. But they're downsizing; they're all downsizing. There are no jobs there. So you're cutting 10,000 to 20,000, some suggest a whole lot more, in the public sector and expecting that the private sector is going to just move in and pick up the slack there. I just don't know how you put all that together. The reality of the situation doesn't play out that way or isn't playing out that way; not in my community, anyway.

Hon Mr Snobelen: Mr Martin, I'm glad to have a chance to clarify a couple of things. The Conference Board of Canada has talked about the great probability that young people today will have five or six very distinct careers over the course of their lives. There are other reports that would indicate a similar kind of trend for the future.

I can tell you how the private sector creates jobs. Perhaps it's a little clearer to me because I've created a few over the course of my life and I have some personal experience at this. You create them by creating a climate for investment, creating a climate where people can use their knowledge and their skills to create value inside of the province. I believe we're in a very competitive posture and a very competitive position here in the province if only we could get our public spending and public debt under control and if only we could get our taxes below something that's very close to the highest rate of taxation in North America, one of the highest rates of taxation in the world.

This may be difficult to explain in the short time that we have here, but investors tend to invest in places that are competitive, competitive in terms of their interest rates, which are driven in part by their servicing costs on public debt, and competitive in terms of taxes.

I know that your government took a different view of that and in fact raised taxes continually in the hope that we'd have a more competitive environment and raised the public debt repeatedly in the hope that we would have a better competitive environment in the province of Ontario. I would submit to you, sir, that was a folly.

Mr Martin: Well, that's interesting. We certainly do have a different view, and I suppose that's not surprising given the side of the table that we sit on. But it seems to me that in Ontario, if you look at the figures—and I don't know what figures you're looking at; you're not telling us what figures you're looking at—investments in this province in 1993 and 1994 have been at record levels. People are seeing Ontario as a good place to invest. You know why? Because we're able to offer them things that other jurisdictions can't: by way of a health care system that takes away from them some of the responsibility they have to provide insurance for their workers; by way of a social safety net that helps them when workers get hurt or get laid off for a period of time while there's a downswing in the economy; we have probably the most competitive energy prices. I know in our area one of the things that we trumpet by way of an attractive piece of industrial infrastructure is the fact that we have very competitive power prices in our area of the province.

So the numbers and the reality don't support the assumptions that you're arriving at and that you're making decisions based on re education and training in this province. I suggest to you that you're doing a number of things. By reducing the amount of money that's going to colleges and universities, you're limiting their ability to be a major player in the economic recovery and revival and future of the province. I don't know what you're going to replace that with.

I talked to professionals in the college and university system and they tell me that they don't know how they're going to deal with the massive cut that you're proposing for them. Then you're telling students—and you threw at me a couple of times this issue of the tuition fee increase. Yes, we did; we did a lot of things when we were in government that we didn't get much recognition for, by yourselves particularly, by way of trying to manage our

finances. We did an expenditure control plan that got us about \$4 billion out of the system, and we did a social contract exercise that got us another \$2 billion out of the system that, yes, caused some stress and some difficulty.

1730

But we did it. We did it in partnership with the stakeholders and the players out there. It wasn't easy. It wasn't a fun exercise to have gone through. You know, we took a lot of flak over it, but we did it, and because we did it with them, because their fingerprints, to some degree, were on the final product that we produced, they were able to roll with it and work with it. I suggest to you that they won't be able to roll and work with what you're laying on them without ever having consulted them.

And where I started a little statement the last time around, I just want to finish it and then maybe ask you a question.

Hon Mr Snobelen: That would be refreshing.

Mr Martin: Okay. We, in partnership with the stakeholders out there in the college system, set up a system of prior learning assessment to ensure that students received full credit for their academic and non-academic experiences. This is at the same time as we were working with them around expenditure.

We created the College Standards and Accreditation Council so that system-wide standards and outcomes could be guaranteed and we set up a voluntary consortium on advanced training which united colleges and universities for the purpose of providing advanced applied technology.

At the same time as these changes were being initiated, there was an explosion in community college enrolment and a reduction in public funds available to the community college system. We found that there really was no fat in the college system.

I guess my question to you, after all of that, is, outside of cutting the money that's going to go to colleges and the trauma that's going to cause and outside of increasing tuition fees in the way that you are, what other plans do you have for the college and university system?

Hon Mr Snobelen: We have a number. We have a plan to consult with the colleges and universities, as I guess is the basis of your recommendation or critique. That was very clearly spelled out by Minister Eves in his statement of November 29 when he said that we would have a very focused discussion paper that we would be generating over the next few months, that we intend to have a report by next summer, that we would look at the very serious issues facing accessibility and the regulations and other circumstances that are causing colleges and universities to face a great deal of change.

I met recently with the presidents of all the universities collectively and they pointed out, and I think quite rightly, that the kind of changes that universities are encountering at the moment are only partly fiscally driven. They're also driven by changes in the global economy and in changes in the knowledge business, if you will, so they do face challenges from a variety of different fronts. We intend to work with them and to see

what public policy should be designed to help them through the next five and 10 years and what part the public should play in that regard.

I might point out to you that recently there was an announcement that Sheridan College had had a look in its programs, and in deciding to offer those programs where they really did provide the best possible quality for their students and in the best interests of their students they are getting out of a couple of areas that they had previously been in and the president of the college indicated a couple of things.

Specifically, she was talking about their nursing program and she indicated that when Sheridan withdrew from that program, it would only leave five nursing programs operating in the GTA and some 22 nursing programs operating across Ontario. She called into question two things: Whether Ontario needs 22 nursing programs and where the graduates of those programs will find jobs, because any indication that she had was that there would not be enough positions to satisfy the number of people who are graduating from nursing programs. In her view, the college did the responsible thing and withdrew from those programs so as to emphasize programs where they had achieved some excellence.

I would suggest to you that there are a great deal of rationalizations that colleges and universities have suggested they can do in order to create a better quality of education for their undergrad and graduate students.

Mr Martin: I guess I have to say, on the positive side, it's refreshing to hear that you are talking with some folks out there and that you are going to do some consultation and putting some things together. I'm still concerned about the two students back here. I don't think, out of today anyway, that they still understand how this new economy that's going to evolve out of simply cutting government and reducing taxes is connected with what is going to happen in the college and university system. I don't know how you're putting that together at this point in time. I think at some point you have to do that.

I failed to mention earlier, and I shouldn't have, that one of the advantages that this province has, as well as all the other things that I listed, is in fact an excellent education system. I suggest that you're tearing it apart, that you're causing trauma to a degree that we're not going to recognize it in a year or two or three years. So all of the studies and work that you're going to do out there to try and put together some new notions and ideas, it's going to be too late. Don't you think it would make more sense to decide first what it is that you want and what this system is going to serve by way of the job that's going to be out there in a year or two or five or 10 years down the road before you make the massive cuts that you announced two weeks ago today? Wouldn't it make more sense to do that?

Hon Mr Snobelen: In fact, if what you're suggesting is that before we begin the process of change in the school system, we should first commission another royal commission, well, perhaps that's the approach that the previous government would have taken. I don't think it's a prudent choice. I believe that we need to work with the boards of education across the province. We have already

received recommendations from them and suggestions from them that would amount to as much as \$1 billion in savings in the system. I believe the time to take action is now. Perhaps there are those who feel that studies should be done endlessly. I am not one of those people. I don't believe it's time for another Royal Commission on Learning. I think we have one. I think it's now time to take some action, and that is the belief of this government.

We believe it's urgent to take action now for and on behalf of the students of the province of Ontario, because, as I'm sure you're aware, although you don't seem to bear any personal responsibility for this, and perhaps that's true, we spend \$1 million an hour more than we bring in. I would like to suggest, sir, that for the average person in the province, for the average man and woman who is paying taxes to this institution, that they know from their own finances at home that you cannot spend more than you bring in endlessly without taxing your future. Sir, what we have put up, it seems to me, in the past—and I take great offence at those who pretend to be in favour of the youth of today, who pretend to be concerned about their future, but who are willing to mortgage it to the tune of \$100 billion. I take personal offence at that, sir.

Mr Martin: Something got to him.

Mr Wayne Wettlaufer (Kitchener): Minister, I'm amused by the constant references, both in the House and in the committee here by the various members who keep referring back to the Davis government and Bill Davis when he was Minister of Education and how that should justify their arguments all the time. Mr Martin referred to the fact that 30 years ago Davis created the community college system. I somehow would like to get my message across to some of these members that if business operated under a plan that existed 30 years ago, most of the businesses wouldn't exist. Mr Martin referred to the fact that there were record investment levels in the last two years. I would remind him that there were also a record number of bankruptcies in the last two years and that part of the reason for that is because companies could not plan because governments weren't providing them with consistency in planning.

Now, I have—

The Acting Chair: You've got 20 minutes.

Mrs Pupatello: This question's for the minister?

Mr Wettlaufer: We have 20 minutes. You rambled on forever, Ms Pupatello; I think I could do the same.

The Acting Chair: Through the Chair would be helpful.

1740

Mr Wettlaufer: The one thing that I would like to know: With the planning that was done by school boards using old technology and old philosophy, we find that many boards have cost-per-pupil ratios which vary greatly from one board to another, in the elementary boards from one area to another, also from the separate to the public areas, and in the high schools. Will that be taken into account when the transfer payments are reduced?

Hon Mr Snobelen: We are going to take into account the circumstances of the different boards across the province of Ontario when we look at the transfers. We are also going to take your observations into consideration when we examine the task force report when it comes forward to the ministry.

You make a very interesting observation, one that's been made by others, I believe, that the spending amount per student in the province varies widely, yet from some of the test material we've seen there is not a corresponding difference in the quality of education as measured by the students' results on tests.

One of the things the task force is examining that I believe will be very instructive is, what are the different costs associated with various communities across the province of Ontario? For instance, in the greater Toronto area there is obviously a cost for educating students who do not have English as a first language that's different than in other regions of the province. They're identifying, what are those very specific educational component costs and how can a more fair grant program be set up across the province?

Mrs Ross: Minister, a couple of weeks ago I sat down with Dr Peter George of McMaster University and the alumni there, and we had quite a discussion. To assist the universities so they can better cope with the restructuring process and assist students so that tuition fees don't continue to rise, a couple of suggestions were made to me.

One was that the reporting requirements for universities need to be reduced. I wondered if anything is being done at looking at the reporting requirements for universities. I think he's talking about the number of staff they need to fill in all the paperwork that has to be submitted on a regular basis.

The other question was with respect to the approval process for program changes. Apparently there's some uncertainty and delay in getting that approval process changed, and because of that no changes are being made. I wondered if that was also going to be addressed.

Hon Mr Snobelen: I've spoken to Mr George in the past and I know he's very proud of McMaster and especially its well-known, worldwide research efforts. I believe some of the points you've brought up are things we want to address in the discussion paper. Again, I've met with all the presidents of the universities recently and they have some very specific requests in terms of how they might change their reporting to the ministry.

While these are autonomous organizations, they do reflect a high level of public investment, and of course government has a responsibility of making sure that public investment is a wise investment and to account for it to the people. I suspect that somewhere between the universities' requests and the current situation is a place where we can both be accountable to the people of Ontario as a government and provide the universities with the kind of flexibility they need to change.

As to your second point, I'll defer to Joan Andrew, who's very eager to answer.

Mr Wright: Peter Wright. On the issue of program approvals, we are talking to the Ontario Council on University Affairs, which is the body that actually does the program approvals, to see what can be done in terms of streamlining that process.

Mrs Ross: Can you give me some indication as to how long it takes currently to have an approval go through for a program?

Mr Wright: I would expect, if you are going right back to where they're starting to design a program all the way through to approval, you're talking several months, possibly a year. Most of that is not inside the government; most of that is actually at the institutional level. The institutions themselves have a process, run through the Council of Ontario Universities—this is particularly at the graduate level—where they have what's called a peer review process where they bring in external advisors to look at the program and to certify and essentially say yes, both that this is needed socially and economically and that it's a quality program.

After all that has been done, it then comes to the Ontario Council on University Affairs, which does a final look at the program, again on some of whether it's needed economically, and there's a series of criteria they have; I don't have them with me but we can get them for you. Then that advice is provided to the ministry. That turnaround normally is relatively quick.

Mrs Ross: But are those criteria put forth by the ministry or are they driven by the university?

Mr Wright: The criteria which the Ontario Council on University Affairs uses are put forward jointly by the ministry and the council itself. The system is aware of them and they in fact have not been changed substantially for several years.

Mr Jim Brown: Being from Scarborough, and being the last school board that—I think we were actually forced to accept the heritage language program. I don't think I'll be allowed back in this government unless I ask the question, have you considered the heritage language program and the costs thereof?

Hon Mr Snobelen: My understanding in round numbers is that the heritage language program represents about a \$20-million cost across the province. It has been represented to us by some of the school boards as one of the things in which there might be different approaches that would lower the cost.

We'll be considering those, obviously, but we'll be considering them also in the light of what heritage languages do for the province of Ontario. I think those programs speak highly of our global competitiveness and of one of the key competitive advantages the province of Ontario has, in that it really is a global village here. I think that's quite an opportunity for us and one we don't want to miss or lose. We'll be weighing the requests and the options regarding heritage language programs with the real benefit to the province of Ontario.

Mr Jim Brown: The second part of that is that the school board met with me about two weeks ago, and considering the fact that Metro doesn't get any money, how will the \$400 million taken out of the school budget affect Metro?

Hon Mr Snobelen: We're discussing that with Metro at the moment. As was alluded to a little earlier, during the social contract negative grant, boards were able to make a contribution back which was in line with the net contribution required of them. There are different methodologies and avenues that could be explored in this regard, and we're going down those.

I might say that Metropolitan Toronto and the region of Peel and Ottawa-Carleton and other areas do get a substantial amount of money from the taxpayers. They just don't get the money routed through Queen's Park first.

Mr Sheehan: Minister, I have a question about the roundabout way labour negotiations go on. There are several things.

You have an extremely long grid, which seems to be mandated by the process, which causes a fantastic incremental cost if you happen to be starting with a young board. It accelerates the wage condition. You have a situation where directors of education and senior staff are mandated to belong to the union. You have inequities built into Bill 100 which kind of make it a sheltered workshop, I suggest, for the way that the union negotiations go on: You can't lock them out; the boards are fundamentally hamstrung in their negotiations. I'm going to try and put the question with those in mind.

Since school boards protest mightily about their inability to manage because of the inordinate proportion of payroll costs, what would happen if either Bill 100 were amended or teachers were placed in the Labour Relations Act, like every other labouring type, instead of protected by Bill 100? Would there not be a substantial saving since it would force them to bargain more responsibly? Has any study been done to determine the potential saving?

Hon Mr Snobelen: The most recent study I saw was one given me by the media yesterday where they suggested that members of provincial Parliament would be overpaid if they were compensated in the same way that a high school principal in the Toronto area was. I haven't had a chance to study that particular recommendation yet.

1750
I can tell you that we have provinces across Canada where there is collective bargaining done at the provincial level, and that the costs in those provinces are not dissimilar to the costs in Ontario where we have negotiation on a board-by-board basis.

The boards have asked us to have a look at various things inside the Education Act that would allow them more flexibility and, they believe, to make better use of teachers and others in the education system and enhance productivity. They have not, to my knowledge, asked us at this point to assume the responsibilities of bargaining. I believe the boards believe that with some help from the Education Act, with some loosening and some more flexibility, they'll be able to provide representations that are in the best interests of their local taxpayers.

Of course, the ERC has been designed for some time to look after these areas and to provide some help to boards and to the federations. The history has been that when there has not been a successful negotiation between the bargaining unit and the board, and inevitably when a

job action occurs—and I must state here that that happens very rarely in the education sector—normally, when jeopardy is declared by the ERC, this Legislature orders teachers to go back into the classroom and make sure that school years aren't jeopardized.

There's been a suggestion that we might want to talk to the federations and talk with the boards and see if there isn't a better way of resolving those kinds of differences. I'd be willing to entertain any of those sorts of options, but currently we haven't been asked for one by the boards.

Mr Sheehan: My question wasn't regarding province-wide. I would rather negotiate board by board, quite frankly, but I would like to see the law changed to put the boards on a more equal footing. There's no job actions in the school board business because by the time it gets down to that position, the boards have already been bent over backwards anyway; they can't defend themselves. I suggest if they were able to lock them out, if they were able to take a little more aggressive stance, maybe 60% of the education costs wouldn't be tied up in teachers' salaries and maybe there wouldn't be so much time spent on teacher preparation time and 18 or 20 days holidays or sick time per year.

Have you studied and have you examined the possibilities, have you considered it, have you priced it out, what would happen if you put teachers under the labour standards act or whatever the act is that deals with negotiations? Or, failing that, have you considered ways of amending Bill 100 to make it more representative of what the real world works in?

Hon Mr Snobelen: We've had a look at a variety of things that we've been asked to look at by our board partners, and we are having submissions in terms of suggestions as to how we might drive down the costs in education. We'll be taking those submissions till the end of this month, and there are suggestions still coming in. I assume that some of those will probably be around the Bill 100 area, although I have not yet personally studied one at this point in time.

I can tell you that the boards have suggested to us that if we make some changes in the Education Act that are more permissive, that allow them some more room, particularly in the areas of hours per day, days in the year, those very prescriptive things in the Education Act, they can in fact negotiate with their bargaining units and provide a better value for the taxpayer and a better education system for the young people by making teachers more productive.

Mr Sheehan: My questions are prompted by two lawyers who have done extensive negotiating. It's their opinion, and I will be sharing them with you. I meant to send them along sooner—I've just been busy—but you'll get the drift of them.

Mr Rollins: With grade 13 out of the way, it probably won't be quite as effective as it has been, but in the past a lot of high school students took a course a second time so their qualifications going into university will have a higher mark. I know with grade 12 and cutting back, that will put it into grade 12, but the same procedure will be used. Has there been any consideration on a duplicated course, that somebody picks up the bill?

Hon Mr Snobelen: I'm not prepared to make an announcement at this point, but we are very seriously considering, at the request of colleges and universities, making the transcript of students more clear so that the universities and colleges would have on the transcript of the student's record the number of times they took a course and their marks every time they took course, which we think would do something to dissuade people from that practice.

Mr Barrett: I'm told that many smaller rural boards have been able to hold the line on excessive expenditures. I'm sure many have not been able to do that as well, but there's concern that those that have will be judged as severely in terms of any spending reductions. What are your plans for any kind of funding formula to distribute funding more equitably across boards, not penalizing the ones who have been able to do a good job compared to the spendthrift boards?

Hon Mr Snobelen: This is specifically the area the task force was designed to address. They are going to report to us in less than 60 days, and I'm looking forward to that report. We'll be taking some action on it to make sure we have the kind of equity you're looking for and so that we've identified the different cost components of education in the province and can identify those on a board-by-board, region-by-region basis and acknowledge those in our granting formulas.

Mr Wettlaufer: Minister, given the present tax structure in the province of Ontario whereby separate school boards receive equal funding under the elementary system but businesses' tax moneys automatically go to the public system unless they designate that their moneys go to the separate system, are there any changes contemplated to that?

Hon Mr Snobelen: Again, the task force is looking at that. I can tell you that there have been representations made to various governments over the last 20 years that would address the various kinds of funding inequities in the system. One of those is that which you mentioned, that the separate school board system tends to be underfunded versus the public school board system in this province, but also between rural areas and urban areas. I come from an area where perhaps we're very close now to being a negative-grant board, and there's a very large commercial assessment that comes into that school system.

Obviously, people have pointed out the inequities both because of the separate school board and public school board differences, and also differences geographically. I think both are very serious and that's one of the reasons I'm looking forward to that task force report.

The Acting Chair: Thank you. The committee will adjourn until the call of the Chair.

The committee adjourned at 1758.

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Ms Mariette Carrier-Fraser, assistant deputy minister, elementary, secondary, post-secondary operations and French-language education	
Ms Marjorie Mercer, acting director, corporate policy and leadership team	

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*Sheehan, Frank (Lincoln PC)

*Wettlaufer, Wayne (Kitchener PC)

**In attendance / présents*

Substitutions present / Membres remplaçants présents:

Patten, Richard (Ottawa Centre / -Centre L) for Mr Cordiano

Pupatello, Sandra (Timiskaming L); Miclash, Frank (Kenora L) for Mr Curling

Clerk pro tem / Greffier par intérim: Carrozza, Franco

Staff / Personnel:

Poelking, Steve, research officer, Legislative Research Service

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Première session, 36^e législature

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Monday 5 February 1996

Journal des débats (Hansard)

Lundi 5 février 1996

**Standing committee on
estimates**

**Comité permanent des
budgets des dépenses**

Ministry of Education and Training

Ministère de l'Éducation
et de la Formation



Chair: Alvin Curling
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Monday 5 February 1996

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Lundi 5 février 1996

The committee met at 0911 in committee room 2.

MINISTRY OF EDUCATION AND TRAINING

The Chair (Mr Alvin Curling): May we begin, please. We're resuming the estimates of the Ministry of Education and Training. The minister has made his opening statement, and the only clarification and agreement I want is that we could rotate our questions to, if you want, a 30-minute rotation. If that's in agreement with each party, we'll start with the official opposition. Have I got agreement on that, a 30-minute rotation?

Mr Bud Wildman (Algoma): Do we rotate and then go back to the individual after that?

The Chair: Yes. We're on vote 1, as a matter of fact. May I start with the official opposition?

Mr Richard Patten (Ottawa Centre): Good morning. Welcome back, everybody. Minister, I'd you to know that I have with me this morning my colleague Mr Castrilli, who is jumping from committee to committee and is very busy and would like to also pose some questions to you.

But I'd like to begin this morning's questioning with a reference. I received a fax copy of an article from the *Ottawa Citizen* in my office this morning, which is titled "Tory Fights with Teachers Could Close Schools." I will not read the full text of the article except to say that, as we had discussed on a previous occasion, there is a serious morale problem in our school system and among the teachers there is considerable worry, frustration, a feeling that somehow or other they will take the brunt of the pending cuts that have been announced and will fairly soon hit the system.

Over the last couple of weeks, a phantom document has circulated and been reviewed by probably everybody in the system; I am told it was prepared by officials in your department, and you were quoted as saying that everything that was identified in the document indeed was on the table. If this is the case, you can surely understand the unease and the worry. I wonder if you might have a comment on what your perception is of the morale of the people in education today in Ontario.

Hon John Snobelen (Minister of Education and Training): I appreciate the question. I am told that about 25% of my time from September until now has been spent in schools, so I've had an opportunity to speak directly with classroom teachers on a number of occasions. They have raised with me many of the issues that I'm sure you'd be familiar with, and perhaps some others. I do agree, certainly, that it's very important to make sure that the classroom teachers in the province both have the opportunity to do their jobs and do them well, and have some understanding of the future of their profession.

I can say I'm encouraged by the professionalism of the people I've talked to in the classroom. I am discouraged occasionally when the considerations that this government is giving to a variety of suggestions that have come in from boards, from directors and others in the education system are misconstrued or misrepresented. That is unfortunate, because that does cast doubt in the minds of those in the system. I hope that all concerned will be responsible in their communications in this regard; we certainly have been attempting to be, from the ministry point of view and from a personal point of view. I believe that if we are responsible in those communications, that helps to ease the doubt and uncertainty in the system and will continue to do so.

Mr Patten: The Premier said, "We"—meaning the government—"would not touch any compulsory educational elements." That leads me to believe that if you're using a term of that nature, there are things that are not compulsory, and in the shifting sands of what's considered to be the classroom or not the classroom there are two vulnerabilities: one already has been mentioned, and that is junior kindergarten, and it appears it's not part of the core funding any longer; another area is adult education. I'd like to hear your views on adult education, its importance and whether you consider that to be a fundamental part of the educational system, in light of helping people to be prepared for the job market.

Hon Mr Snobelen: If I can help to clarify, I believe the Premier's comments were in a discussion about the charging of fees over and above the fees the taxpayer pays for the school system that would be applied to individuals, and I believe the Premier's comments were talking about the long history of students paying for extracurricular activities, if that helps to clear that up.

As far as the funding of people over 21 in education is concerned, obviously the province has a variety of training and other programs available to people, to adults, including educational programs, and should have. However, there is a distinction, I believe, in the educating of adolescents and adults. I believe we must make that distinction and continue to make that distinction in the various programs that are offered by the province.

Mr Patten: But at the moment there's \$144 million identified as possible savings if adult education were not part of the system. Let me repeat: Are you saying therefore that adult education is not considered as part of the regular system from a funding point of view?

Hon Mr Snobelen: I believe that would be inaccurate. We fund over-21s differently than we fund adolescents, in recognition of the fact that adolescent education is substantially different than adult education. So we have a different funding formula for that.

Mr Patten: Will you be looking at removing the funding from this area for the 1996-97 period?

Hon Mr Snobelen: The announcements in that regard are already made, and I will ask the deputy to comment on those.

Mr Richard Dicerni: There will be no additional measures, apart from the ones that were announced in the November 29 statement. What was meant in the November 29 statement was that the funding for adult ed would be based on the level of funding that we provide for adult education as compared to, as the minister was saying, the per-pupil grant of adolescents. There's a different funding level for adults, and we would apply that across the board.

Mr Wildman: So you're trying to force them into the college system.

Mr Patten: My understanding is that—it's a good question, though—you'll be announcing 1997-98 as well, will you not, the funding year for 1996-97 will be coming out in a week or two, in terms of cutbacks you expect, or is the \$400 million that you've announced the only amount we're talking about for this period?

Hon Mr Snobelen: The only announcement that's been made is the \$400 million that was announced on November 29 by the Minister of Finance in his economic statement.

0920

Mr Patten: I recall you saying at a previous point that you would provide some planning time for the system by giving them notice of the next school year, and that, to my understanding, was to be announced fairly soon. Is that not correct?

Hon Mr Snobelen: What we said, and what was said in the Minister of Finance's statement on the 29th, was that we would allow for a period of consultation with educators, people involved in the education system, throughout the month of December, that we would have a look at the recommendations that were submitted by those in the education system over the course of January and early February and that we would announce specific measures to help school boards and educators meet the reduced funding for the 1996 year in mid- to late February. We intend to stay on that course.

Mr Patten: All right. At this point, I'd like to ask my colleague Annamarie Castrilli if she will ask a few questions. She has pressures with another committee.

Ms Annamarie Castrilli (Downsview): Mr Chair, I'm not quite sure how much time I have left in this.

The Chair: You have 20 minutes.

Ms Castrilli: Thank you very much. It's the first time, Minister, that I've had an opportunity to speak to you about colleges and universities. There's been very little action on the part of the government with respect to colleges and universities in the past term of the Legislature.

Let me start by stating what I think is the obvious. Your party has engaged in a campaign over the last year or two to clarify its position. You're very fond of saying that the party has discussed the issues with the public and you have a mandate based on what the public has voted on. Let me refer you to your *New Directions: A Blueprint for Learning in Ontario* and wonder how you feel about some of the statements that were clearly made there and for which you obviously have a mandate:

"Our colleges and universities have been weakened by a decade of underfunding.

"In too many cases, classes are overcrowded, equipment is obsolete, library facilities are inadequate and buildings are deteriorating. Ontario currently ranks ninth out of 10 provinces in operating grants per university student....

"The need for increased funding for Ontario post-secondary institutions is obvious."

Given that premise, which I assume you stand on, I wonder how you can rationalize the \$400 million in cuts in a sector which you have indicated is so grossly underfunded.

Hon Mr Snobelen: Perhaps I can clear up a few things for you. The blueprint that you speak of is a 1992 document, and I believe the \$400 million that was reduced in the grants is a very specific commitment made by this government in the Common Sense Revolution document, which was released about a year before the last provincial election. If you check the document, I'm sure you'll find the reference to \$400 million in it.

One of the reasons why we announced that we will be releasing very soon a discussion paper for the colleges and universities sector is because we believe there needs to be a public discussion on the responsibilities of the government, of the institutions, of individuals in funding of the universities, rationalization of programs, the cooperation between colleges and universities. There is a variety of issues facing the post-secondary sector, not all of which have to do with funding, that need to be discussed and need to be discussed publicly. That is why we're going down the course and have committed to a discussion paper.

Ms Castrilli: Before we get on to the discussion paper, I'm rather curious. I've read the Common Sense Revolution. I don't see anywhere in it where you are backing off from the comments that you made in *A Blueprint for Learning in Ontario*.

Hon Mr Snobelen: Excuse me. Just for clarification, you don't find a reference to \$400 million?

Ms Castrilli: Oh, I do.

Hon Mr Snobelen: Oh, thank you.

Ms Castrilli: The \$400 million is there, but there is no backing away from the issue that the sector is underfunded; there's no backing away from the statements that classes are overcrowded. In fact, you say you want a guarantee that the classrooms in themselves will be not touched in any way. Every university administrator that I've talked to is not convinced that \$400 million is going to result in any kind of quality remaining at the same level in Ontario's colleges and universities.

There's an inconsistency, Minister. That's really what I'm saying. You're not backing off from what you've said in that blueprint. You do mention the \$400 million. But you do not indicate that any of the things that are written in this comprehensive paper on colleges and universities are things that you're prepared to back away from. So how do you rationalize the two? How do you maintain the standards, how do you keep up classroom quality, how do you deal with underfunding, which you say is critical, and at the same time take away \$400 million? How do you do that?

Hon Mr Snobelen: Well, I have difficulty in rationalizing your statements. You open up with a statement that we made very specific commitments to the people of Ontario. We certainly have. We released the Common Sense Revolution a full year before the election, a very detailed plan for this province, and in that there is a commitment to the people of Ontario, among a number of other commitments, to the withdrawal of that \$400 million. So I don't understand how you can have any doubt about that. It's very clear.

Now, we have said, and said I think very clearly and very publicly, that we believe the public needs to be involved in the debate and that the post-secondary institutions need to be involved in the debate over the share of individuals and the province and the institutions in the funding of education in the future, in the cooperation between colleges and universities in the future, and we are proceeding with a discussion paper to have just that conversation. So I believe we've been very consistent with our approach and I have difficulty rationalizing your earlier comment with what's in the Common Sense Revolution. Candidly, I—

Ms Castrilli: Let me cite from the Common Sense Revolution, Minister.

Hon Mr Snobelen: Please do.

Ms Castrilli: Perhaps that will explain why I believe there are some inconsistencies. You do say, under your education sector, that the changes you make will not affect classrooms. You say that quite clearly. You are prepared to take \$400 million out of the sector.

But look. It says very clearly, "Our proposals for education reform are outlined in detail in our policy document, 'New Directions II: A Blueprint for Learning.'" Nowhere does it say you are overruling what's in here. What you are in fact doing is confirming in the Common Sense Revolution everything that you say in here. The only difference is the \$400 million, and the question remains, how do you rationalize the two?

Hon Mr Snobelen: Again, I have difficulty rationalizing your comments. You say we've made very specific promises to the people of Ontario, very clear commitments. We have. One of those was the \$400 million. We've done that. I believe that we've been upfront and frank with the people of Ontario and that we're living up to our commitments. If that causes you some confusion, I don't know where from, because you have now read from the Common Sense Revolution, where we make that promise to the people of Ontario. We made it a year before the election. We were very clear, and we're fulfilling on it.

Ms Castrilli: I guess it's clear to everyone except you, Minister, that there is a real inconsistency here. Your Common Sense Revolution is based on your blueprint, which you published three years before the Common Sense Revolution—you sanction it in this document, but nevertheless your actions contradict that.

But let me pass on to the question of consultation.

Hon Mr Snobelen: Excuse me. Just for clarification, our actions are consistent with what you have just read from the Common Sense Revolution, a document that we circulated to over two million people in Ontario a year before the last election, so I believe the expectations of

the people of the province are very clear and our commitments have been lived up to and we are now pursuing a discussion with the post-secondary sector to address very serious needs of the future of that sector.

Ms Castrilli: Well, I beg to differ. I don't think it's at all clear. I think there's an obvious inconsistency and not one that, frankly, sir, you've really satisfied this morning.

Hon Mr Snobelen: So as to make sure that you are satisfied with that, can we go over again the part about the \$400 million that is in the Common Sense Revolution that we have acted on? I just want to make that—

Ms Castrilli: Well, how do you plan on doing that? I don't really want to belabour this point too long.

Hon Mr Snobelen: I just want to make that very clear to you. Once again, from your own comments, this is a commitment we made to the people of Ontario and it's a commitment we've lived up to. If that causes you some confusion, I'm more than willing to talk to you about that until it's clear for you.

0930

Ms Castrilli: The confusion isn't caused except by the inconsistency in the two documents, and I'd be happy to talk to you further at length about this.

Hon Mr Snobelen: Please, we're in committee now. You might want to have that conversation now.

Ms Castrilli: The reality is that you are saying you're worried about classroom funding, and I'll say this for the last time. You are worried about the fact that the sector has been underfunded for, as you probably well know, at least the last 20 years. You are worried that we need to have students who are trained to the highest possible standard. You are saying that you've set out your policies in this blueprint, which is endorsed in the Common Sense Revolution, and you don't see an inconsistency with the statements that you've just made here today?

Hon Mr Snobelen: No. None whatsoever.

Ms Castrilli: All right. I understand your position.

Hon Mr Snobelen: I think we've kept our commitments to the people of Ontario very clearly. If there's some confusion, perhaps it's your confusion with a government that keeps its promises.

Ms Castrilli: I don't think that's my confusion at all. But let's press on to the consultation issue. You've indicated that you are embarking on some consultation with the post-secondary educational sector. In fact, what you are doing is releasing a white paper which presumably will be the basis of consultation. You'll understand that there is some concern in the sector because there was precious little consultation with the sector on the issues that were eventually addressed by the economic statement. The sector was, at least in all of my contacts with colleges and universities, worried about jobs, worried about classrooms, worried about funding. There were certainly discussions, but no consultation of any kind with that sector.

I wonder, given that and the level of concern that was exhibited in the sector during that time, don't you think you have things backwards, Minister? Here you are proposing a white paper. You still haven't had any real discussion about what should go in it and you're proposing to issue a white paper and then embark on a consultation. Do you think that's appropriate, and do you wonder

whether the sector is really going to take you seriously that you want to consult?

Hon Mr Snobelen: I find the level of your information is extraordinary. We have had long consultations with the colleges and universities, both before the Minister of Finance's statement on November 29 and from then till now. We are consulting with them on a regular basis with the direction, the thrust and the form of our discussion paper. We've been working with that sector, collaborating with that sector very closely, and we have before the 29th. For you to suggest here that's not a fulsome conversation is, I think, misrepresenting completely the last six months of discussions with universities and with colleges. These are very, very serious issues and we have most certainly—I have personally, and I know the deputy has on many occasions—met with the sectors.

Ms Castrilli: I agree with you that these are very, very serious issues. There is probably nothing more important than the health and wellbeing of the colleges and universities sector. It is what will propel us out of the economic mess that we're in, and we need to give proper focus to that sector.

Certainly the groups that have been speaking to me, the various staff associations and the various student groups, have been pretty much unanimous in saying: "Yeah, they talked to us, but it wasn't really a question of consulting. They met with us. They would certainly arrive on campus, but there was no meaningful process of consultation." They certainly had no idea what was going to be in the economic statement because their views weren't really solicited to any great extent.

But the question really is, given that you've already made some decisions about cuts and priorities, what is the point of a white paper and what is the point of a discussion process, and will a discussion process be meaningful? That's really the question.

Hon Mr Snobelen: Again, I'm going to attempt perhaps the impossible, which is to bring logic to your comments. Talking with people and consulting, your definition of those might be interesting. One of the reasons why we are pursuing a discussion paper is a formal process of consultation. We believe that's important and I believe that's important, and that is why we are pursuing that avenue.

As for what was in the economic statement, once again if I can remind you perhaps, if you could recall our earlier conversation, what was in the economic statement was what was in the Common Sense Revolution, which was put out a year before the election. So I'm sure it startled no one. To represent that in any other fashion would, I think, be irresponsible.

Ms Castrilli: Well, irresponsible or not, that is the perception of a great—

Mr Steve Gilchrist (Scarborough East): Excuse me, Mr Chairman. We're 24 minutes into a 20-minute rotation, according to the clock on the wall.

The Chair: It's 30 minutes by rotation, and the Liberals did have another five minutes to go.

Mr Gilchrist: I beg your pardon. We were told 20 minutes.

The Chair: I told you 30 when I started. Ms Castrilli.

Ms Castrilli: I think the logic of your comments may be escaping in that particular sector. Let me ask one other question.

Hon Mr Snobelen: Well, perhaps I could put them in some other fashion in which you would find them logical. We made an announcement on November 29 which was consistent with what was written in the Common Sense Revolution, a document we put out a year before the previous election and circulated over two million copies of to the people of Ontario. That's what was announced in the minister's statement.

Before the announcement and after the announcement, we have been in consultation with student groups, with universities, with colleges, with their collective bodies. We have had a variety of discussions with those people. The deputy minister and I have met with them personally. We have listened to what they have to say; I believe they have listened to what we have to say. We are now working with those sectors on the development of a discussion paper to have a formal process of consultation with that sector. I believe that's a very clear record of being responsible, of announcing our plans well in advance and of consulting, and I'm proud of that record.

Ms Castrilli: I'm delighted that you're proud of your record. The reality is, though, that the sector does not feel as though they are having any meaningful say in this process. I think they certainly will confirm that many of the associations have not been involved in any meaningful way.

Hon Mr Snobelen: It would perhaps help us if you could name one of the associations that has not been consulted with or discussed by the deputy minister or myself.

Ms Castrilli: I indicated before that there are many student and staff associations that do not feel they have been involved in the process. I think the hope is, with the white paper that you will release and the consultations that should take place afterwards, that we do not repeat this pattern, that they will in fact be part of the process and will be heard and that it's not just a foregone conclusion what will be in your white paper. So I'm looking forward to that particular document.

Hon Mr Snobelen: I trust that the discussion paper process will continue a pattern of consultation with the people involved in the sector, and that includes students, colleges, universities, faculty associations and others. I trust that the discussion paper will continue that record.

Ms Castrilli: I hope it will establish a record. I guess that's where we may differ on this.

Let me ask one question stemming from the economic statement and specifically dealing with tuition. That's also in your Common Sense Revolution and in your blueprint. Your blueprint states that tuition fees should rise over a four-year period to 25% of university operating costs. It's obvious, in studies that have been done, that tuition fees already represent more than 25% of the operating costs in this province. I wonder, sir, how you can justify an increase in tuition fees from 10% to 20% in the very first year.

Hon Mr Snobelen: You are, I'm sure, aware of the fact that tuition fees have risen over the course of the previous government and over the course of the govern-

ment prior to that, that there has been a pattern of escalating tuition fees across the province, and I'm led to believe that our tuition fees in the province now are somewhere in the middle of tuition fees charged in other Canadian provinces. That is the situation today.

0940

We obviously consulted with universities and with colleges, many of which would like to see steeper rises in tuition fees than we have announced. We consulted with those parties and came up with what we believe is a very fair and equitable package. We also have looked at the amount or percentage paid by students, paid by the province, absorbed by the institutions, and have suggested that we need to have a very fulsome conversation about this, which is why it is a critical part of the discussion paper.

Ms Castrilli: I'm not sure that answers the question. You're on record as stating as a party that tuition fees should rise to 25%. We're beyond that already, prior to the increase that you are legislating now.

Hon Mr Snobelen: We are right now in a process of establishing costs, and I can ask the deputy to speak to that in a moment. We also are in an environment that has changed considerably since 1992, including a number of increases in tuition to students across the province from that point to this point. So there have been a variety of changes from 1992 till now. We are in fact attempting to establish some of the costs of programs. As I'm sure you're aware, they are not always consistent between institutions and certainly not between programs.

The Chair: We have about 10 seconds left, and the minister had asked the deputy to make a comment. If you want to—

Ms Castrilli: I'd be happy to return to this later and give the deputy minister a full opportunity to respond.

The Chair: Okay. Now we turn to the third party, which has 30 minutes.

Mr Wildman: First, I'd like to say to the minister and to the deputy and the staff of the ministry, as well as to my colleagues on committee, that I appreciate the fact that my colleague Tony Martin led off the debate for our caucus when I was absent from the country, or just returned, actually. I do appreciate the accommodation the committee has given to me. I would like to follow up on some things that were raised by my colleague in the exchange between him and the minister.

I must say that in reading the estimates debate in Hansard from December I found it an interesting exchange, but I found it difficult to identify the minister's or the government's vision of education and training in the 21st century. I'd like to pursue that a little, keeping in mind that this year's estimates debate is a bit of a theatre of the absurd, since the estimates document was prepared by the previous government, our government, and events have transpired since that document was prepared that have considerably changed the picture and changed the numbers, and of course we've almost finished the fiscal year that they were prepared for in the first place.

We've had the announcement in July from Mr Eves, his economic statement, which led to considerable cuts, and then even greater cuts announced for the following year at the end of November. I won't spend a lot of time

on the figures but, rather, on what the government has announced, to determine how that relates to the vision of education that we are developing and to try to determine how the cuts relate to that vision.

I've heard some discussion with my colleagues from the Liberal Party this morning in their questioning of the minister in which the minister makes a lot, I think, of the fact that what has been announced is consistent with the Harris counterrevolution document.

I'm reminded that one wise man, much wiser than I, once commented that "consistency is the hobgoblin of small minds." It sometimes is necessary to change one's position, I've learned over the years, when circumstances dictate change. But I suppose it is one virtue to be consistent and to be able to say that despite the fact that things changed I was consistent and you can judge me on consistency.

There's an old American folk song about the war with Spain that actually was made famous by Pete Seeger. It's about a lieutenant marching a platoon into a swamp, and the chorus—I can't remember the exact words—is something about the water is getting up higher, first it's at the knees, then the waist, then it's at the neck, and the members of the platoon are pleading with the lieutenant that perhaps they should turn back, or at least change direction if not turn back, but the big fool said to keep on. I certainly would understand that that big fool could argue that he was being consistent, but the unfortunate problem is that the platoon finally drowns, thanks to his consistency.

I'm also a little bit concerned about what has been said about cuts as it relates to consultation. There's consultation and consultation. There's the consultation that was carried out by Don Corleone when he wanted to make a deal in *The Godfather*. He had consultations. They weren't very equal consultations, but I suspect that if you cut first and then you review and consult afterwards, it's similar to Don Corleone's approach rather than what I would consider to be adequate consultation.

It seems rather odd to me that we would cut first on adult education and then carry out a review subsequently. Or, for that matter, that we would be consistent with the counterrevolution document and make junior kindergarten optional and cut the grant to the normal formula as opposed to what had been there previously for junior kindergarten, and then have some sort of review of junior kindergarten afterwards. It seems a little bit analogous to a physician ordering surgery and cutting out part of the abdomen and then having a consultation about the appendix afterwards. It doesn't seem to make a great deal of sense. One might find that the operation wasn't completely necessary or wise, but unfortunately the cut has already taken place.

It's true that one could argue that the government is being consistent with its promises in these matters, but perhaps that consistency is ill conceived in view of the circumstances. It might not be, but it might be useful perhaps to have the consultation to determine that first. To argue that since the counterrevolution document was out for a year or a year and a half prior to the election and, therefore, the consultation took place, I think, is a little bit silly. In a general sense that is consultation with

the general public on the overall goals and aims of the government once it's elected, but it certainly isn't consultation about implementation and about implications and impacts, because it seems to me that what we're talking about is that we're moving from what we all aimed at, which was a student-centred education in this province, to a taxpayer-centred education. Certainly the taxpayer, the needs of the taxpayer and the concerns of the taxpayer are very important in education in Ontario, but one wonders whether education should be centred almost solely on the taxpayer. Sometimes, decisions might be made in the short term that in the long term will even hurt the taxpayer.

0950

Having said all of that, and before I go specifically to some of the figures, I would like to get some idea of the minister's personal vision of education, what he sees education policy achieving and being aimed at over the next decade or so, as we go into the next century—not just on dollars and cents, but what it means for young people, what it means for adults, what it means for business, what it means for labour, what it means for our society as a whole.

In trying to prepare for this, I looked into your background, Minister. We contacted the Premier's office and received your biography from the Premier's office. I hope I'm not being unfair on this, but the Premier, as I recall, at the time of the press conferences after the appointment of the cabinet—not just in reference to your appointment but I think in reference to a couple of other appointments—turned the poet on his head and said, I think it was, to paraphrase, "Too much knowledge may be a dangerous thing," and justified appointing people on that basis.

In trying to determine what your information base might be, I looked at the biography that we received on January 5 from the Premier's office and saw that you are a fellow of the Carter Center in Atlanta, Georgia. Perhaps you could explain to me what that exactly entails and how your experience at the Carter Center might affect your vision on educational issues as they relate to Ontario and, for that matter, North America and in the context of your experience in that regard.

Hon Mr Snobelen: First, let me apologize. If it says "a fellow," it should not, it's been corrected. We publicly apologized for that early on. I'm surprised there's still a document floating around with that statement on it. It should say "associate of."

I'm very proud to have worked directly with President Carter in Zambia monitoring an election and to have had contact with him on a variety of other issues, one of which was the Keeping the Promise campaign in 1991. But I am not and I do not believe there is a designation called "fellow" with the Carter Center. I apologize that this has not been corrected. I will make sure it is. Again, we have publicly said that on several occasions, so I apologize for that. I am very proud, though, of my not trivial connections and experiences with the Carter Center and with President Carter.

Mr Wildman: I didn't really expect or ask for an apology, but this is a document that we received on January 5 from the Premier's office.

Hon Mr Snobelen: Again, my understanding was that had been corrected. Obviously, it has not, so I will make sure that it is.

Mr Wildman: If you're not a fellow of the Carter institute and you've had some experience with former President Carter, perhaps you could pursue that in terms of your relationship with the Carter Center and how that affects your view of your role now as minister.

Hon Mr Snobelen: First, it's President Carter, not former President Carter, just to correct that. Again, I have had the opportunity to—

Mr Wildman: Former in terms of time; president in terms of title.

Hon Mr Snobelen: I'm sorry, there is no designation "former President." There's active and inactive.

Mr Wildman: I wasn't putting a capital on the "F."
Hon Mr Snobelen: We seem to be very interested in the exact meaning of certain terms, and I'll try to stay that specific with you.

Again, my experiences with the president relate around the Keeping the Promise campaign in 1991, monitoring the first multiparty elections in Zambia, where I spent a little over a week with the president, and subsequently a meeting in Washington probably about two years ago, and other than that, by correspondence with the Carter Center over the past two years. That's the limit of my involvement with both the president and the centre. Again, I believe we've been pretty clear about that relationship.

Mr Wildman: I understand that you've said you were an associate of the centre subsequent to the confusion over the term "fellow." What is an associate and how does one become an associate?

Hon Mr Snobelen: I would assume one would be associated with the centre. I was certainly associated with the centre in monitoring an election with President Carter at his request, in our involvement with the Keeping the Promise campaign, for which the president was the honorary global chairman and for which I had some responsibilities here, and being involved with the Carter Center from a communications point of view.

Mr Wildman: That clarifies that, because I had understood that the term "associate" in the formal sense was an academic position, according to Carrie Harmon of the Carter Center, and that most of the people who are associates are in fact academics from universities.

Also, the CV that we have here, besides relating to your various activities in business and in the community, refers to the Hunger Project which, I understand prior to your being involved with it, had some controversial relationships with the Metropolitan Toronto separate school board, and I believe at one point in the 1980s the Hunger Project was quite controversially involved in the Erhard Seminar Training. I'm just wondering if you have had any relationship with it or any connection with that at all.

Hon Mr Snobelen: The subject has been brought up regarding the association of Warner Erhard and the Hunger Project before I became chairman of the project. My understanding is that Erhard or various forms of that business were not involved in the Hunger Project. I took over as chairman from Carl Masters, who is the person who invited me to sit on the chair when that organization

was going through considerable changes in Canada. I was pleased to serve on that body with Eugene Whelan and with our distinguished Chair here today. I'm very proud of the record of commitment from those people and I was pleased to be part of that body. People like Eugene Whelan and our distinguished Chairman here today have, I believe, spotless records in their commitment to people around the planet, and I was very pleased to participate with them.

Mr Wildman: I acknowledge the role of the Chair in that project as well. I won't pursue this other than to say that in looking at the CV that was available from the Premier's office, in terms of the Carter situation and the association and the Hunger Project, I thought that should be clarified.

Perhaps we can deal a little more in terms of vision for education in the future and how this relates to the money that has been cut from the budget. You mentioned in your leadoff comments in the estimates, Minister, that we in Ontario were spending \$1.3 billion a year extra compared to other provinces in 1994-95. That figure was used by the Minister of Finance in his November statement and it has been repeated by you and by others in the government—repeatedly—since, and yet I've got serious concerns about that figure. I think if we're going to talk about the figures, we should at least be able to agree on the basis on which they're calculated.

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According to your comments, we're spending about 10% more per pupil than the average of the other provinces, and that's where the \$1.3 billion a year comes from in extra spending, and this is used to justify cuts in grants. Yet, when we consider these figures very carefully, we find that the data apparently included federal and private schools in Ontario. They weren't just provincially and locally funded public and Roman Catholic separate schools. The data also included kindergarten expenditure, which I think they should, but didn't include kindergarten enrolment, which obviously would skew the figures. Since there are about 100,000 pupils in kindergarten in the province, not including that enrolment would certainly inflate the cost per pupil.

So when you do change the calculation based on the information I've just provided, and have been provided by others, we find that Ontario's per-pupil expenditure is not 10% above the average of the other provinces. In fact, using StatsCan figures, we're about sixth in Canada. We're behind Quebec, BC and Manitoba in per-pupil expenditures. Ontario's average expenditure is \$6,961, and that is 2.4% above the Canadian average of \$6,796. It's above, but not much, and we are behind neighbouring provinces and British Columbia. This, of course, is also interesting to note, that two years ago Ontario's average was \$7,429, so it has come down substantially. When you take Ontario out of the figures, if you want to do it that way, the Canadian average expenditure outside of Ontario is \$6,684, and that means that Ontario is 4.15% above the average calculated that way.

So perhaps you could clarify this: Why would you use data that included federal and private schools, and why wouldn't you include the kindergarten enrolment if you're going to include kindergarten expenditure?

Hon Mr Snobelen: I appreciate your question. I know there has been some confusion in this area, some of it predicated on people who want to compare our costs with the costs of the territories, which is obviously not very useful. I will ask the deputy to respond to that specifically in just a moment.

First, though, I know you've said that you want to talk about the vision pieces before going to the numbers. It's important that we do that, and I believe that's quite correct, because obviously costs are only one part of the equation when we are considering value, and it's very important. As a matter of fact, we've said publicly and often that it's our goal in the education system to have it improve and to have it actually be a higher-quality, more accountable and more affordable system for the province.

It's driven because we believe that with the economic circumstances that we face in Ontario, for us to have the opportunity and the possibilities for the young people who are in school to have useful careers in a vigorous province, we need to address issues of expenditure today.

A little earlier, if you can allow me to finish my brief observations on your statements, you quite I think rightly pointed to the need for flexibility in planning. As plans change and as times change, we must be flexible and we must have an ear to the ground and we must be making sure that we understand the systems. But that doesn't mean a flexibility in our commitment. It doesn't mean a flexibility in values and principles. Those who are willing to shift their commitments and values and principles with the wind of opinion have a very difficult time in creating a future for a province as big and diverse as Ontario.

I took some humour from your big fool story. It's an interesting story. I wonder if the big fool would have marched Ontario into deeper debt, higher deficits and more taxes—an interesting story.

Mr Wildman: I suppose you could argue they might drown in debt, but I also wonder if they might have the right weapons or the right equipment in order to be able to get out of the debt. Perhaps you should do something to ensure that they do before you march them in.

Hon Mr Snobelen: To march on track over the course this province has been going in the last 10 years, into higher taxes, a larger deficit, more government spending. To put in debt this province and the future of this province, to put in debt the young people of this province, in my view, that is a big fool—

Mr Wildman: So you cut programs and hurt kids today on the basis that you're helping them in the future. It doesn't make a hell of a lot of sense, but I would like an answer as to why you included these figures. Was it inadvertent or was it intentional?

Hon Mr Snobelen: What doesn't make a lot of sense, sir, is putting future generations in debt, overspending, spending beyond the province's means in an attempt to—

Mr Wildman: Were you attempting to justify your cuts on the basis of unclear and unfair figures? Was it intentional or not?

The Chair: Order. Could we give the minister a chance to respond to the questions you've asked?

Mr Wildman: He said he wanted to have the deputy respond and then he's giving me a little lecture—

The Chair: He was about to. I think he listened attentively to your comments. Would you let the minister continue?

Hon Mr Snobelen: Just a couple of more brief comments, and I will let the deputy comment on the numbers after.

As you said, it's important to have the vision very clear before we talk about the numbers. The haste and the urgency that you mentioned a little while ago are of course created on another number, and that number is the \$1 million an hour or so that we spend now more than we bring in and the likely consequences of that over-spending on future generations.

We believe that the taxpayer is a part of the consideration in the education system, of course, but the taxpayer wants value. So do parents, and the students depend on having a valuable education, a high-value education in this province. We are working towards that, I believe.

Again, all of our efforts are directed at improving the education system, at improving it from the point of view of quality, accountability and affordability. I'll ask the deputy to speak to the numbers.

Mr Dicerni: As the member pointed out, to establish explicit interprovincial comparisons from one province to another, and including especially the territories, is not necessarily a very easy and direct type of equation. The figures that have been used reflect the ministry's best effort to establish some comparisons. We have sought input from a variety of places, including Statistics Canada, including other provinces. We have gone to other provinces to ask them to compare what their overall budgets are as well as for the number of kids they have in their system.

A few numbers come to mind. For example, in Alberta their overall budget is about \$2.8 billion for about 500,000 kids, which would work out to somewhere around \$5,500 or \$5,600. In the province's case, the overall expenditure on education in this province, if you include expenditures such as teacher pensions, such as capital, such as operating, works out to about \$14 billion.

Mr Wildman: Excuse me. Could you explain why the private schools and federal schools were included and why the enrolment of junior kindergarten was not?

Mr Dicerni: I was going to add two other points and address that one also.

In terms of our numbers in the province it's about \$14 billion, and we have about two million students, which would work out to about \$7,000 per student.

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The specific points you mentioned about private schools and so forth spoke to the first point that I was mentioning. To do the actual comparison and find legitimate common ground we sought the advice of people at Statistics Canada so that we would have apples to apples to apples. If the member wishes, we could provide much more detailed, explicit information in written form regarding the provincial comparisons. I do emphasize "provincial comparisons" because, as the minister was mentioning, I believe the territories may have been included in the numbers that you're referring to when you were locating Ontario perhaps in fifth place.

Mr Wildman: Let's talk about Quebec, Manitoba and British Columbia. The figures that were provided by StatsCan show Ontario's expenditure per pupil is \$6,961; the figure used by Mr Eves was \$7,556. Quebec from StatsCan is \$7,329; the figure used by Mr Eves for Quebec was \$7,557, one dollar more than Ontario. The Manitoba figure from StatsCan is \$7,117; the figure used by Mr Eves was \$7,181. British Columbia, the figure used by Mr Eves was \$6,955; the StatsCan figure is \$7,036. Why the differences?

Mr Dicerni: I would mention two things: One is that timing is always quite important in these things because provincial governments are constantly addressing the issue of expenditures and how to reduce expenditures. Nova Scotia recently had some initiatives. As you know, in Alberta, they rolled back wages by 5%. It depends explicitly at which point in time you take that snapshot. Also, it's a question of what you are comparing, and what I'm saying is that we have used, to the best of our ability, apples to apples to apples, from one jurisdiction to another.

The Chair: I'm sorry, Mr Wildman—

Mr Wildman: I recognize my time is over, and we'll get to the royal commission to try and deal with more issues related to the vision of education. I will take the deputy minister up on his offer to provide more detailed, written information as to how they came up with these figures. Frankly, I'm not interested in Yukon and the Northwest Territories; what I'm interested in is specifically Quebec, Manitoba and British Columbia.

The Chair: Mr Gilchrist, you have 30 minutes on your party's side, so you can share it accordingly.

Mr Gilchrist: Minister, not to slight you in any way, but I have no interest in your CV; I'm more interested in the vision of how education will unfold in this province and your approach to some significant issues that face the students.

I guess one of the things that drove me to run in this past election is the perception that government has not kept pace with the rest of the world in many ways; one of the most significant perhaps is the way it has embraced, or failed to embrace, modern technology. You are on record as saying that you would like to see a dramatic increase in access to computers, for example, within the schools. I wonder if you can give me, as a foundation point here right now, an idea of, from your perspective, how much of this whole cost of education right now is going into high-tech type initiatives, and how that percentage or absolute dollars should evolve over the next couple of years.

Hon Mr Snobelen: First, it's very interesting that when you look at different schools across the province, the amount of information technology that's available for students varies between schools sometimes in the same school board, and certainly between different parts of the province.

From personal experience from looking in our facilities where there is a lot of information technology available, it's very clear that the level of engagement that adolescents have with that technology, their ability to learn, is greatly enhanced. It is a beginning. We are at the begin-

ning stages I think in education, globally, at using those information systems.

They represent a very small, very tiny part of our budgeting. There are special initiatives that are going on now and have gone on in the past that represent what seem like large numbers, \$20 million, but are actually very small, as the deputy pointed out, in a \$14-billion system.

In order to take advantage of the information technology that is currently available and will be soon available, we need to do two things, it seems to me. One is to make sure that our current structures are as affordable as possible, and the second is to work with the private sector and others in providing the investment that's needed in the hardwiring and the training and the software development, and in the hardware, to make sure that every child in Ontario has access to information technology. It's a long-term process and it's an enormous amount of money. Some people estimate that it will require a \$4-billion investment, which obviously needs a complete rethink of how we work with the private sector and others.

Mr Gilchrist: I'm encouraged that's the direction you're taking, but I'm discouraged when I hear comments, and I know this is something you've inherited, that there are tremendous inequities between schools even within the same school board. I guess that leads me into another topic to some extent, but I just want to pick up the point in terms of your approach to whether it's computers per se or other innovative, high-technology initiatives.

When can we expect in this province the kind of dedication to a common curriculum and a common opportunity for students, whether they're in Moosonee or London, to the kind of education that will leave them prepared for the jobs of the 21st century?

Hon Mr Snobelen: The common curriculum initiatives that have been part of the province for some time now require, I believe, a lot of work in order to make sure that the outcomes are clear to parents and students.

We recently announced a complete change to a four-year program of secondary school in Ontario to allow us to revise the curriculum, and it will allow us to look for the benchmarks that I think parents and students really want. They want a more accountable system. They want a system where they can clearly tell how their child is doing, how their school rates. This is something that's critically important.

The province, I believe, needs to have a lead role in curriculum development, particularly in core subjects, and I was very pleased when Pauline Laing joined us recently to bring some expertise in that field to the ministry and to work on developing those standards.

Mr Gilchrist: There's no doubt that throughout the election we campaigned on a platform that included the statistic that half the cost of education, half the dollars spent are outside the classroom. I must admit I was staggered to find out the number of people employed in the curriculum departments of individual school boards here in Metro Toronto. I think it's nothing short of scandalous that we have a perception in this province that somehow Scarborough's education should be different from Etobicoke's. When we can't even come up with a common curriculum here in Metro Toronto, I think that

says an awful lot about the lack of direction that has existed in the education system and the amount of fat and the waste that has developed outside the classroom.

I wonder if you would comment on one other cost that has particularly burdened Scarborough. It was the last school board to hold out against the forced implementation of heritage language programs, tremendously unpopular within the Scarborough school board and, as you're well aware, a situation where literally one person can demand access to tutoring in any number of languages. This has created millions of dollars worth of expense just within the Scarborough school board alone. At a time when we're looking for dollars that can be spent over all of the students, whether it's computers or just fewer portables, I wonder if you have taken any steps down the road to either eliminating heritage language or at least allowing it to be optional or voluntary within the school boards.

Hon Mr Snobelen: There have been some suggestions made to us about heritage language. I can tell you that we've made no decisions on how that program might be changed or modernized across the province. We have to look in all of these things at the two sides of the equation. One of those is the cost and the other is the value, and we understand and recognize the importance of heritage languages in the competitiveness of Ontario in the future, making sure that we can service a global economy.

One of the extraordinary things about Ontario and the future of Ontario is that we do have so many nationalities represented here, particularly in the GTA. That, I think, is an extraordinary advantage for Ontario versus other jurisdictions in the world and in fact in Canada in the future as we head to more globalization of trade. So we want to protect the value of heritage languages and we're willing to examine ways that it might be more responsible or more affordable.

Mr Gilchrist: No one can disagree with the opportunity that that diversity brings to the province. I think it's more a question of where you draw the line and whether one student should have access to a tutor, particularly in a context of going to user-pay in many more other circumstances. So I would encourage you to continue your exploration of that.

Mr Chairman, recognizing that we have a limited amount of time, I'd like to turn it over to my colleague Mr Sheehan.

1020

Mr Frank Sheehan (Lincoln): I was somewhat amused by the third party's reference to Don Corleone particularly since they were the people who made us the offer we couldn't refuse with their irresponsible spending which put us in a box and effectively denied us any options but the options that we're pursuing.

I have a couple of questions and they're more by way of information. With the changing needs of technology in business and commerce and the professions, have you any plans to survey the business community and the professional community to determine what in fact their needs are so that the curriculum can prepare the students at least for entrance into the work that's going to be available when they graduate?

Hon Mr Snobelen: Some of that is ongoing. I want to point out that one of the most useful places for that, it seems to me, is in the partnerships that are emerging on a board-by-board level and sometimes a school-by-school level with the business communities in that local area. I've talked to business leaders who have been involved in those partnership processes, and to educators, and it seemed to be very revealing to both parties. I think the business people came away with a different understanding of the challenges in the education system and a different understanding of what's possible in that system, and I believe the same is true for the educators I've talked to.

While we need to consult with the business and professional associations in the development of curriculum, it's really critically important, it seems to me, to have those partnerships right at the school level because that seems to be the place where it makes the most difference.

Mr Sheehan: I believe, like Mr Gilchrist, that we should have a common curriculum. Since the common curriculum will be centred at the ministry, I think that the ministry should be monitoring those consultant processes—a particular reference to one of our policy committees where the head of training for Ontario Hydro said that in his 25 years, no one ever asked him what they needed. I'm really concerned that we're importing tradesmen and technologists, and that tells me that what's happening right now is not training our students so that they can make the jump. So you are going to pursue that, I hope.

My second set of questions concerns the French process. I don't know if you have these numbers now, but I would like to have them for the number of French school boards in Ontario. I would like to know if they're all in compliance with the population count. I don't know if it's accurate, but it seems to me it was 5,000 population in an area led to some French school boards. I'd like to know the number of trustees on those boards, I'd like to know the number of students served, I'd like to know what the pupil-teacher ratio is, I'd like to know what the total budget is and I'd like to know the cost per student. In our area we have a school that was created for 67 students and I'm really upset about the proper allocation of funding.

Hon Mr Snobelen: I'll defer the particulars of the question to the deputy because he has that information right at the top of his mind. He's an extraordinary person who is able to recall all of that instantly.

The Chair: You're allowed to pass if you've got a deputy.

Mr Sheehan: I'm impressed with that man.

Hon Mr Snobelen: But you'll notice that I will give him some time to remember it.

Of course our constitutional issues involving francophone education in Ontario are fairly clear, and I believe our responsibilities are fairly clear. When we compare costs, one of the important things to consider is that the cost of providing basic materials, textbooks and other materials in French is considerably higher than it is in English because of the market size etc. So there are differences in the cost base of French-language service and English-language service in this province.

I'll let the deputy minister answer directly your cost questions, but we are working cooperatively with other provinces in Canada and we hope to be able to provide the service that we must provide and should provide under the Constitution at a more affordable price because we can work together, I think, with other provinces that have similar issues. That's one of the efforts that's going on now. There are isolated boards where we have extremely high costs of delivery that are a function of geography as much as they are of the language.

Mr Sheehan: In the particular instance I'm citing there is a French school in Welland that's empty or half-empty and they created a portable high school in the Lincoln county board area, but they located it in the Welland board territory. I would specifically reference that. I don't want an answer right now. But I'd also like you to add to your list of questions, are we exceeding the constitutional requirements or are we under the constitutional requirements and, if we are exceeding them, by how much and what is the dollar cost?

Hon Mr Snobelen: I don't know the answer to that particular question specifically. My understanding is we're complying with the Constitution as that emerges and that it's an emerging conversation. We do have a body that's about to report, the Sweeney commission, which has been looking at how boards should serve the needs of Ontario and, more particularly, what the roles of the trustees are. I'm looking forward to that report to have a look at how that restructuring might help the quality and the affordability and the accountability of the system.

Mr Wildman: He's recommending more French boards.

Hon Mr Snobelen: That's correct. That's what his interim report said.

Mrs Lillian Ross (Hamilton West): Minister, I'd like to ask you about specific courses that are offered. For example, Mohawk College is in my riding, and there's another school that I just visited last week called St Charles Education Centre. At St Charles Education Centre they offer ESL classes and they also offer them at Mohawk College, and they're very close to each other. My understanding is that the courses offered at St Charles Education Centre with respect to ESL are offered in a much more cost-effective way than they are at Mohawk College.

I've got a number of questions about that. First of all, Mohawk College was established in the 1970s, I believe, under the Bill Davis government. Since then, has there been a change in the mandate of that college? Have they updated their mandate, revised it? Has anything been done with respect to the services they deliver? I'm wondering, for example, why they would offer ESL at a very costly expenditure when someone else offers it at a much less costly rate.

Hon Mr Snobelen: The colleges were established in the 1960s. I think there are a variety of people probably in this room who have some memory of that and some understanding of how they've evolved.

One of the reasons why in our discussion paper we want to have a look at rationalization of programs is to answer the question you've just asked, that is, what

institution can best provide a particular program, best from the point of view of quality and affordability? There are a variety of issues that have been brought to the fore by colleges and by universities over the past year, such as whether we need to offer five nursing programs in the GTA etc. These are valid questions, I believe.

Originally colleges were designed to work primarily on a geographic basis and part of the concern that college presidents have spoken to me about is how they are going to be able to continue to specialize in delivering very, very, very high quality programs in their areas of interest, in the areas of interest both locally and globally. They are emerging, and I believe this discussion paper will help that both in the rationalization of services and the flow of students to and from universities.

1030

Mrs Ross: So the rationalization is taking place among the universities and colleges. But this particular school I am speaking of is under the board of education.

Hon Mr Snobelen: Yes.

Mrs Ross: Is there going to be something done with respect to looking at that overlap of courses being offered?

Hon Mr Snobelen: Yes. Our intention is to look at the rationalization of services holistically inside of the education community.

Mrs Ross: The other issue I'd like to talk about is the OSAP loans. We're looking at income-contingent loans. I know it's a problem and it has to be worked out with the federal government. I just wondered if anything's happening on that front and when you might expect to see something occur.

Hon Mr Snobelen: Yes, we're very interested, and I talked to Minister Axworthy when he had the portfolio. We have been cooperating with our federal counterparts on developing an income-contingent loans package, which we believe certainly would provide more equity and more access for students. That process is ongoing.

I do not right at this moment have a time when we might be able to suggest that there'd be an income-contingent loans package available. There are obviously some things to work out in developing both a time line and the package. But we are committed to that, the federal government is committed to that, and I'm sure the new minister will be as well.

Mr E.J. Douglas Rollins (Quinte): Minister, I've got some funny concerns about when you go out to these schools and you're listening to these students and you're consulting with the teachers. According to my colleagues, that isn't happening. Are you wearing earmuffs and muzzled, or is there some dialogue back and forth with those people? I know when you were in Ottawa there was some dialogue back and forth and they were very receptive of some of your answers and things, the way you were looking at them.

I know it's impossible to consult with every board there is in the whole province before you make a decision and I know there are some things you have come up with that I feel are going to be an answer to some of our situations with the testing. I think that's one of the things that if we do that grade 3, 9 and 11 or 6, 9 and 11, whatever you do in there.

When you consult with these people, are the taxpayers and the people I know who are at those schools when you're there telling you that that education these students are getting today is what they really need for tomorrow?

Hon Mr Snobelen: I think it would be very difficult to characterize or generalize the comments because it runs the full spectrum of opinion in terms of parents and teachers and the students I talk to. There is a wide variety of opinions that get expressed.

I think generally people believe that the education community is working hard within the constraints to deliver a quality of education. I think people, if I can generalize, express to me concern that we make sure that the education system grow and change and develop consistent with the way the world is growing and changing and developing to make sure the young people in Ontario have an advantage in the global economy that we're moving to in Ontario.

The concern is both for some immediate issues, and they're expressed to me quite regularly, and for the future, to make sure we engage in the kind of changes we need to have in order to make sure we're preparing the young people in Ontario at the forefront of the education systems around the world. There are concerns from students, obviously, about that world, that uncertainty, and I guess is the natural right of each generation to be concerned, but I don't see panic in the eyes of the people I talk to. I think they know we can get there.

Mr Rollins: One of the other concerns I feel that we as a government should be taking a lead in is that supply teaching is always questionable, how much you use, and there is quite a lot of dollars spent on supply teaching. Personally, I feel we shouldn't be using retired teachers. I think it should be basically a mandate that anybody who's on a pension, particularly from a school board, we not let them back in the schools to be used, because I think there's a whole group of teachers out there who are already trained and who have not got the opportunity to have a door open for them to go and teach. Those people should be used, even though it is only on a one- or a two- or a three-day-a-month window of opportunity. It gives that board and that staff the privilege of looking at those people.

I feel it is very disrespectful for the pension system that we have—and most of the teachers and most of the people who retire choose to retire because they want to retire, not choose to retire to come back to work. I wonder, is there any encouragement from you, as the minister, to the boards to use these types of people?

Hon Mr Snobelen: We've had a variety of suggestions that would have the effect of both protecting people who have not got a long tenure in the profession of teaching and those who are now trying to enter the profession. It's a very serious problem, particularly for young people who have the accreditation but no opportunity.

I'm told by some estimates that the uptake from teachers' college is as low as 20%, which is a very, very low number of people. We've had a variety of suggestions and recommendations that would help to make sure that those who have been in the system for a relatively short period of time and those who are trying to enter the system have an opportunity to get in. One of those sug-

gestions is to limit the role of people who are currently on a pension. We are considering those recommendations in the fullness of all the recommendations to see what we can do provincially to make sure the system has as much renewal and rejuvenation as possible.

Mr Rollins: I think that's encouraging, because we do need to keep our younger and brighter lights in the system and keep them working in there.

One of the other concerns I have is in the colleges. Many of the colleges have developed over the past as far as instructors are concerned: "(a) I'm a businessman, (b) I can teach business." They haven't taken into consideration the ability of that person to be a teacher. Yes, he's had the experience of being out in business and maybe doing an excellent job, but I think there should be some encouragement from the ministry level down to make sure that some of those instructors are trained instructors. I think they need to have more of that expertise. Is there anything in that?

I know we're laying a lot of them off because of the restraints and I think we've got to face the music, that we are basically broke, whether they want to admit it or not. Any time that a business spends more than it brings in, basically you're broke. They just don't want to admit that, or a lot of people don't, particularly in the opposition.

Hon Mr Snobelen: I guess there's broke and there's broke, but what we certainly do have is a high level of debt that the people of Ontario carry on their backs that has been generated for them by governments.

The colleges were designed to serve emerging needs. They were designed to be very flexible and to meet the changing needs of the province and of the students. Over the course of the last 30 or so years the profile of who uses colleges has changed considerably and the profile of who serves in colleges has also changed. The design was originally, and I would think we should do everything we can to enhance that design, an ability to be flexible, an ability to bring in the skills that are needed in today's economy as that evolves and changes.

To that extent there are a variety of people, as you mentioned, who come in from other sectors who are experts in various areas, who are used to give that knowledge to the students. Their ability to teach, I'm told, is monitored by the colleges and in fact they keep a critical eye on that. I have talked to colleges about that issue and they assure me that they have kept an eye not only on the ability of the person in their expert area but also on their ability to communicate with the students.

It's also an issue for universities, that universities across not just Ontario, not just Canada, but universities in the developed world have been looking at the dilemma between having people who are very expert in their field and who may not be able to communicate that for education purposes.

Mr Rollins: One of the other things I think we need to follow fairly closely too is that if putting computers at everybody's desk is such a costly thing, maybe put them in colleges where they can be used 16 or 18 hours a day rather than the regular five or six or seven hours a day through the school system. I know it puts the position of transportation back and forth, but I think when we invest

those dollars, we'd better invest them where we can use them and make those computers hum as loud as we can and as long as we can.

Hon Mr Snobelen: Yes, the use of information technology varies from college to college and program to program, but it's very interesting. Of course there are a variety of experiments in post-secondary in Ontario, and I should note that other jurisdictions around the world are using virtual classrooms and the Internet and other services to provide information and methods of learning to people when they don't have bricks and mortar to go to. So it's an emerging field. What's possible is emerging. I think, and there is a fair amount of use of information technology in the colleges. Of course, there are some programs where that's just not applicable, but there are some where it is.

There are also some very interesting inquiries into possibly using private sector involvement, and perhaps using computing and other possibilities after school hours are over. There are, I believe, a variety of steps in that direction going on now.

1040

Mr Rollins: It's nice to know we're looking out the windshield instead of looking in the rear-view mirror.

Mr Sheehan: The concern raised by my friend is that in the universities and colleges there seems to be a little bit, or maybe a substantial amount of turf-guarding in that with my degree from, say, Niagara College, I can't take some of the course credits I have and transfer them up to a so-called higher level of education, or similarly, go from university down to the college level. Are you using your influence to try to make this process a little more seamless so it becomes more useful for the student?

Hon Mr Snobelen: I referred a little while ago to the change in demographics of those who use our post-secondary institutions and I think the change has been fairly dramatic over the last decade. There are, for instance, a high number of people who have university degrees who are enrolled in our colleges. It's a very interesting phenomenon.

Part of our discussion paper is to take a look at that and see how we can use prior learning assessment and other tools to have the transition from universities to colleges or from colleges to universities be more seamless. There are a variety of projects under way in the province that do just that, that acknowledge the technical skills and the real technical expertise of colleges and the theory or the sometimes more esoteric ability of universities. The merging of those two disciplines, those two abilities is very interesting, and will do a lot to enhance both kinds of institutions and provide a better service to people who are undergrads and graduate students.

Ms Castrilli: Given the exchange here this morning, I'd like to ask the minister a question or two before we ask the deputy minister to comment on my last question.

Minister, you have an extraordinary portfolio. You are charged with education, with training, with colleges and universities. It is an area which has traditionally, in Ontario, been one of paramount importance. I'm curious, after having listened to the questions and your responses, what your vision really is for the area I'm the critic for, colleges and universities. I'm curious whether you see

that sector as anything more than just a budgetary expense to be dealt with. I'm curious what you do and say around the cabinet table to speak up for that sector. I'm curious as to your priorities, your view of that area. I wonder if you might just share that with us.

Hon Mr Snobelen: It's a very focused question. I'm glad you asked it in that fashion. My discussions around the cabinet table of course I won't reveal. My view of the post-secondary sector, and it's a sector that is now at the point of enormous change around the world, is that really, because of the high reliance on knowledge and information and the change in the way information is distributed and the growth of knowledge, particularly in many disciplines, that system is emerging and the universities are facing changes they haven't faced over the last 200 years, if not from medieval times.

It's an extraordinary, extraordinary, extraordinary area. I think the possibility for growth at universities and colleges, the possibility of changing accreditation methods is now—there are now changes possible that weren't possible a decade ago because of the way knowledge has changed and because of the changing information distribution systems.

I think our universities will emerge from these changes stronger and better able to serve a clientele. I think they will be going through a variety of restructuring processes that help them in continuous learning, because it's very clear that the people of the next generation will have a relationship with an institution of higher learning for a lifetime as knowledge changes and grows. There are very serious issues facing those institutions, among them intellectual property, the methodology of accreditation, the way they relate with undergrad and graduate students. I think those challenges need to be taken head-on and I'm glad to be involved in that process.

The college side faces similar issues. I believe the purpose of them when they were designed was a very useful, very visionary picture of colleges. They are now emerging as areas that specialize perhaps more than they did 30 years ago, that offer a high degree of training, specialty training that they're known for. They are attracting now a more worldwide audience for their services and that likely will continue. So our colleges and universities are emerging, as do others in that whole global field.

Ms Castrilli: I thank you for your response, but nowhere in your response have I heard the words "accessibility," "excellence" or "economic competitiveness." I wonder, do those form part of the spirit of defence that I would hope you would make at the cabinet table when the cuts are being wielded in such an unseemly fashion?

Hon Mr Snobelen: I don't find anything unseemly about doing what we said to the people of Ontario we'd do. We talked about that a little earlier; I won't go over that ground again with you unless you'd like to. I can tell you that obviously, with our discussion paper that we will be putting out very shortly, accessibility is one of the key issues for people in Ontario, particularly our young people. The accessibility of colleges and universities to people who are re-entering is also important and something we need to discuss, I believe, and the quality of our education programs is at the forefront of all of those

discussions, certainly all the discussions I've had with colleges and universities.

Ms Castrilli: With regard to those discussions, I wonder why we are going into a formal process of consultation after a white paper which has yet to be released and why your government didn't enter into that kind of consultation process earlier on. It seems from the outset, and you're free to dispel this, that there was a priority—to chop without regard to the fundamental role that colleges and universities play in a society—and that having set the priorities, which were cuts, then you have the white paper and the discussion. I wonder what there's left to discuss at that point.

Hon Mr Snobelen: Are you suggesting there is nothing for this government to discuss about accessibility, about the future of colleges and universities, about the quality of programs, about the training for those who are graduating from our high schools into those institutions and for adults who are returning to those institutions to serve a demographic profile—

Ms Castrilli: I'm asking you what your priorities are, because they're not clear so far.

Hon Mr Snobelen: Excuse me. Are you suggesting there is no point now in consulting with universities and colleges? Is that the suggestion you're making with your question? Because I would reject that suggestion. I think that we are right now at the point of making some very important public policy decisions and that colleges and universities welcome the opportunity to do so in a consultative process and welcome the discussion paper and welcome a very focused conversation on those issues, and we are providing that.

1050

Ms Castrilli: I believe that consultation is essential and far be it from me to suggest that shouldn't take place. It was you who said there was wide consultation. My question simply is, if the consultation was so wide, why wasn't it formalized in the first instance? Why did we go from chopping, closing the door, and then setting out a white paper, which again sets out your priorities, and then you consult at the end of the process? That's really the question.

Hon Mr Snobelen: We spent some time prior to the election, obviously, in discussing issues with colleges and universities. We have made very clear our intentions in terms of funding the sector in the Common Sense Revolution. We announced or reified that commitment in the minister's statement on November 29. We talked to colleges and universities prior to the economic statement; we have talked to them since the economic statement. We have talked to student groups. We have talked to both of those sectors, to faculty and others. I have personally visited a number of those institutions and talked to people involved, had a look at what's going on, so our consultation has been continuous.

I think it's important to have a continuous consultation process with those institutions. They represent a very important part of the education system in Ontario. We are now in consultation to design a discussion paper to more formally have those consultative processes. I believe the informal and the formal are both necessary and we'll continue to pursue both.

Ms Castrilli: I think we are fully in agreement, Minister, that full consultation is required, particularly with this area, but I guess there's consultation and there's consultation.

Let me turn to one issue you spoke briefly about, and that's the issue of accessibility for students. You indicated it certainly was one factor you were looking at and I applaud you for that. I wonder, though—you answered a question with respect to income-contingent loans—what you mean by accessibility, and I guess the confusion arises from this: Your blueprint three years ago indicated that tuition should rise a modest amount until it reached 25%. We are now past that, as I've indicated before. We have no assurances that similar large increases won't in fact occur on a yearly basis. We're now looking at 10% to 20% this year.

There's been very little added to OSAP. In the economic statement you did indicate that some percentage of the increase would go to student loans, but there's been no evidence what you would do with income-contingent loans. I guess I wonder what you mean by accessibility when you are in fact making the cost so prohibitive for a large number of students. How soon can we expect an income-contingent loan? What are you planning, if anything, to do with OSAP aside from that modest increase? How will you address the very real needs of students in the coming year, and what can students expect next year, the year after that? Are we looking at 10% to 20% increases on a yearly basis?

Hon Mr Snobelen: If I understand, you're asking me if we are going to continue on the path of the previous Liberal and NDP governments in increasing tuitions on an annual basis, which has certainly been the case over the last two governments. Is that the question?

Ms Castrilli: I beg to differ. I don't think you can point to 10% to 20% increases under a Liberal government.

Hon Mr Snobelen: My understanding is that tuitions rose significantly under both those previous governments.

Ms Castrilli: Well, 20% is hefty. I don't think you'll find those figures anywhere in the Liberal government.

Hon Mr Snobelen: No one would dispute the fact that the cost of tuition has increased over the course of the last five or six years, and it will continue to increase next year with our announcements. No one would doubt that or question that. The reason we want to have a public consultation or a public discussion with students and the post-secondary sector to sort out the fair share of individuals in their education process and the role of the taxpayer and the role of the institution is because there needs to be some certainty in that area, and I think that discussion paper will lead to that.

We also understand that tuition doesn't represent all the costs the students have in acquiring an education; that is in some cases not even a significant part of the equation for some students and the students have reminded me of that on a regular basis. So we need to have a look overall at what the circumstances are.

The question of accessibility is whether all people who have the ability and the desire to participate in post-secondary education will have that opportunity, regardless of their economic circumstances, and I think that is the

reason we want to engage that conversation with individuals, with students and with the institutions.

Ms Castrilli: Are you saying that accessibility is something that is important to this government?

Hon Mr Snobelen: Yes.

Ms Castrilli: If that's the case, why wouldn't you deal with the issue of accessibility before you put on these very large tuition increases? Why do you do it afterwards? Why are you delaying the whole process? Why aren't we talking about OSAP and income-contingent loan repayment plans in advance? Why aren't you consulting with the students on this?

Hon Mr Snobelen: Again, we had extensive conversations with student groups before the minister's statement on the 29th, which reified a commitment we made to the people of Ontario over a year before the election in the Common Sense Revolution. Our intentions have been very clear and clearly made to people. We have had a consultative process with students, with colleges and with the universities before the minister's statement and intend to have further consultations now on a more formal basis. We have very definitely been in touch with this sector, and we are very definitely concerned with the future, for future generations, in post-secondary education.

Ms Castrilli: Even if I take you at your word, Minister—and, believe me, I really want to—the record is otherwise. You have raised tuition by almost 20% at most universities, although you're giving the institutions the facility to raise the additional 10% and you've really only increased it by 10%. I want to be fair. You have not mandated the entire 20%; you've mandated 10% and left it to the institution.

But you've not dealt with the central issue for students, which is, how do they pay for it? If they are able, of course, because we are only talking about students who should be in universities, who are capable of being at university, how do they pay for it? You've admitted, in fact, that there are additional costs for students that have to do with books. The average science course at the University of Toronto requires some \$1,000 or more in books. You're dealing with increased transportation costs, increased lodging costs for students, an unemployment rate which for students is the highest of all groups. How do you manage that 20% increase?

Hon Mr Snobelen: Let me say that I'm glad you will take us at our word on the fact that we have consulted widely with both the students and—

Ms Castrilli: I said I'd like to; I didn't say I would.

Hon Mr Snobelen: I'm not sure how I would comfort you in that regard.

Ms Castrilli: I think we disagree on what "consultation" means.

Hon Mr Snobelen: I think talking about substantive issues with people who have a concern is consultation, and we have done that.

We are concerned about accessibility. It remains a concern for this government and it should be a concern because we believe it's important that people who have both the ability and the interest have an opportunity to access post-secondary education. Obviously, the changing demographics also change who we're responsible to; we have to be responsible for changing circumstances as

those demographics change. It is a conversation that I believe needs a very full conversation on this issue with the institutions and with students.

Along with the tuition increases for next year, we've also asked institutions to provide enhanced student assistance, and they are doing so. We also have had a considerable investment by the taxpayers of Ontario in OSAP, and we'll continue to provide that level of support.

We believe income-contingent is part of the future and needs to be explored; we are exploring it very quickly, as rapidly as is possible, with our federal counterparts. And we believe we need to explore the ways of supporting adults as they return to those institutions.

Ms Castrilli: Given that you've raised the level of tuition so massively, and we've talked about other costs to students, and you've not really done anything on the assistance side, the concern is that "accessibility" remains a rhetorical term and not much else. I hear from you that you want to deal with it in the future. I applaud that you will do that, but I think it would have been better to deal with it at the same time or in advance, prior to slapping such a hefty increase on students.

Hon Mr Snobelen: I want to reiterate that we have very specifically instructed universities and colleges to apply a portion of the tuition fee increase back to student aid and that this province will make a substantial investment in student aid through OSAP next year. To not acknowledge those two items would be to do a disservice to this conversation.

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Ms Castrilli: I regret that I can't agree with you on that score. Obviously, I have a very different view.

Mr Chair, I apologize that I must excuse myself. I would like the response from the deputy minister. Perhaps at some other point he could answer my question in writing and that might facilitate. Thank you very much.

The Chair: You're welcome, and I'm sure the deputy will accommodate all those responses.

Ms Castrilli: I will leave it to my able colleague.

The Chair: Mr Patten, your party has 12 more minutes.

Mr Patten: I have a number of questions related to adult education, but beforehand, I would like to address something. I will tell you that every single time this is brought up, I will address it again and again.

Minister, I think you know that I'm not a particularly partisan individual. We have a parliamentary form of democracy here, so if you want to participate it's probably better to join a party rather than run as an independent. But every time I hear the mantra from members about the last 10 years of expense and the growth in the debt and one thing or another—I'll let the NDP speak for themselves. This is the tactic of politics, I suppose: You wash in the two opposition parties together and say, "They both ran up high costs and debts." I want to address this issue for the Liberal Party because it is germane to the discussion we're having.

When I hear that the cuts in education relate to the debt, in my opinion it's nonsense. It's dishonest not to say to the taxpayers of this province that you need to find \$5 billion extra because you'll be giving a tax rebate to

the people of Ontario. That's why the depth of cuts in education is there today, and you know that. Every time you just say it's the debt, it is not correct. It's not factually correct, it's not mathematically correct, it's not financially correct, it's not educationally correct, it's not socially correct, it's not politically correct, and if that is said again, I will respond in the same way.

Divide it up; let the NDP speak for themselves.

I will use figures from your own material. I have copies for everybody because myths have a way of taking hold; when we hear things, we tend to believe them and repeat them. This is from Ernie Eves's Ontario's Fiscal Outlook, and I have copies for everyone.

There's a graph, and isn't it interesting? This graph is titled "Ontario Total Spending as a Per Cent of GDP." These are not my figures; they were put out by Finance. What does it show? From 1965 to 1985, when the Progressive Conservative Party was in power, there was an increase from about 6% to 15% or 16%, a doubling, almost a tripling, of cost. From 1985 to 1990, you'll see what the graph does. It's pretty flat. That's when the Liberal Party was the government.

I'll give you a copy, Mr Chair, and I would ask the clerk if he might distribute that to any members who might have an interest or anybody else who's here today who has an interest. I will table that.

Next from Ontario's Fiscal Outlook, look at this one; isn't it interesting? It talks about "Ontario's Deficit"—put out by Ernie Eves. What does it say? What's that little point back here where there's no more black? What year was that? It was 1989. In the last 20 or 30 years there has only been one time when there was a contribution—I see John laughing back there—to the accumulated debt of this province. It was in 1989, and there was a contribution of something in the neighbourhood of about \$400 million. This is germane, by the way, because this is the way in which you have to deal with mythology. There was a contribution of \$400 million to the accumulated debt.

When the Liberal Party received the mandate to govern, what did they receive? About \$2.5 billion from the Progressive Conservative Party, and it's right here on the chart. I'll let the NDP speak for themselves in terms of what happened after that. But every time you say "the last 10 years," look at your own statistics, because I'll bring it up again. Your record shows that you were poorer than we were on that score.

It also shows—the figures are there—that when you talk about cutting, you're dealing with only half the ball game, half the picture. You're gutting and you're cutting education. And in health, you've said you're doing what you said you would do. You said you wouldn't touch one cent of health care; \$1.3 billion is a hell of a lot of money. You said in the Common Sense Revolution \$400 million from education. Is that where it's going to stop? We shall see. The projections are now \$1 billion to \$1.3 billion from education. That's not what you said you would do when you talked about education.

Our position was that you did not need to go that far. We put out a budget to show that you could balance the budget and you could encourage education to take a look at its infrastructure and its administration to find

resources. To do what with the resources? To apply it to the mission. To do what? To make sure we had a better quality of education, not to gut the whole system, not to affect the classrooms, not to lose teachers, not to lose the opportunity for our kids.

Mr Chairman, I'm sorry I'm so emotional about this, but it bugs me to see the perpetuation of this myth, which it truly is. Look at it with guts and courage on the basis of fact, your own figures, and you may find it's a different story.

Mr Rollins: Yes, how you were going to do it in four years.

Mr Patten: These are your figures, buddy.

Hon Mr Snobelen: Mr Chairman, with your permission, I'd like to respond for a moment. I'm glad the member, as I am, is disinclined to have long, partisan conversations and to fill our conversations with rhetoric.

I would like to respond. I, like many members of my generation, am not particularly interested in a long discourse on how this province got nearly \$100 billion in debt, but I am very interested in discourse on how we might get it out of debt. I am very interested in how we might lower our taxation so that the people of Ontario are not paying an unfair burden of taxes from their hard-earned dollars. I believe the prosperity of this province and the future we're creating for the young people currently enrolled in our schools depend on our ability to have Ontario not be one of the highest jurisdictions in North America on debt and to make sure it's not one of the highest-taxed jurisdictions in North America. High debt and high taxes do not equal more prosperity or possibility or opportunity for the young people of Ontario. On that I think all of us would agree. We have our shoulders to the wheel as a government, I think as a Parliament, to make sure we take on those very real problems.

Mr Patten: Minister, you said the people of Ontario are concerned. I'm sure the ministry has this and you've probably seen it, but for the record I'd like to share results from an Environics poll taken recently, between December 27 and January 3, and I would think if we did it today the figures probably would be higher, but what were the findings of the poll?

The question was asked as part of a survey to Canadians by interviewers at Environics' central location out of Toronto, but it covered Ontarians. Almost all Ontarians, 88%, said they're concerned about the future quality of education in the system, and rightly so. In other words, they placed education as a high priority. But 66% say they are very concerned; 55% of Ontarians think cuts in the area of education are going too far; only 8% said they do not go far enough; 58% say they are concerned about the impact of the government's decision to change the way kindergarten is funded; 88% of Ontario residents say they are willing to forgo promised individual tax savings in order to provide special support for students at risk.

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Seventy-three per cent would be willing to forgo a personal tax saving to provide adult education classes for those who wish to complete high school. Sixty-five per cent said they would be willing to forgo the tax saving if that meant reducing class sizes was at stake. A majority,

57%, said they'd be willing to forgo their tax saving to provide junior kindergarten classes. In all three categories, approximately one third are willing.

I place that on the record, Mr Minister—and I believe those figures are small-c conservative—because when we actually get into the exercise of school boards having to face the prospect of cutting, that'll be interesting to track over time.

Our relationship to other provinces was brought up by Mr Wildman, and we received some further clarification from the deputy. I want to know what the rationale or the motivation is in trying to tie Ontario to an average in these provinces anyway, when I've heard you, Minister, talk about wanting to see Ontario demonstrate to the world its capacity to have the very best educational system we would want to have, and particularly, as the deputy has said, when we start trying to compare apples to apples, which I know is very difficult. I'm empathetic with that challenge, but if you're going to use those as measurements of credibility, then our job is to challenge their validity and credibility.

I would say to you that no other province faces the variety of immigration factors that we face in Ontario, the diversity, the attempt to respond to special needs, and of course the full funding aspect that you mentioned was a factor for separate school boards, but also the diverse population that we have and our responsibility to our youngsters who have special needs and of course adult education.

I would ask that if our commitment is there and we took out some of those factors and compared apples to apples then the ratio might be considerably less. I wonder if you might respond to that.

The Chair: Just a comment: The minister and deputy have a minute to respond to those excellent questions you have. Whether or not you wait around in the circle for him to respond completely is up to you.

Hon Mr Snobelen: No other province in Canada, other than Quebec, faces the debt that we face as a province. I think that's important too. Remember that we are facing a different economic circumstance than other provinces as well. We also face—I would hardly say "enjoy"—a unique level of taxation in this province. We have to have those realities in front of us when we talk about any of our government services, especially a service as important as education.

The deputy has said earlier today, as I've said, that it's difficult to benchmark education in terms of both its cost and its quality. But as difficult as those efforts are, I believe we should do so to the extent that we can. Some of the measurements versus other systems are useful. Some may be less useful, but at least it's one of the things that we should consider when we look at the overall cost and value of education in Ontario. I think it's important that we continue to benchmark how we do based on the success of our students as well as our cost.

One of the things that was somewhat astounding to me when I first went to the ministry was how difficult it is to correlate cost to quality in education. There are systems that seem to be able to leave their students with as much opportunity, with as good a chance for success in their lives for considerably fewer dollars than does the

system in Ontario, and I think that's at least worthy of consideration. It is their future we're spending.

The Chair: The New Democratic Party, you have 30 minutes too.

Mr Wildman: I want to comment just briefly. I don't think it's particularly productive for us to get into arguments over the last 10 years. I think it's been shown quite easily that the government's mantra about the last 10 years ignores the fact that in 1994 we had the highest level of investment in this province we've ever had in history, but that fell off somewhat in 1995. To say there were 10 lost years is to ignore the facts, but I don't think it's particularly useful to get into a big argument about that. We could point out that after 1993, year-over-year spending, in total dollars, was cut back for the first time since 1945 in this province by any government, whether it be New Democrat, Liberal or Conservative.

I think what's more important for us to look at is what we're headed for, where we're going, how we deal with the current fiscal situation and how we respond to the needs of students, society, business and labour, going into the 21st century as an education system. We've had a lot of numbers thrown around here. It's been suggested that we have to deal with the debt and the deficit. One of the ministers—I think it was Mr Johnson—was quoted this morning in the press, saying that the public voted in June 1995 for radical surgery. Well, that may be the case, but in my view a surgeon uses a scalpel, not a butcher's cleaver, and that's what we're seeing here for the future of education.

The number \$400 million has been bandied about as a result of Mr Eves's statement in November: \$400 million in cuts to education at the elementary and secondary levels. We know that if boards are to find \$400 million, because of the configuration of the school year, what we're really talking about is somewhere in the neighbourhood of \$800 million to \$1 billion in cuts. Frankly, I agree with my colleague from Ottawa when he points out that the magnitude of these cuts is directly tied to Mr Eves's and the government's commitment for a tax cut. There have been cuts over the last number of years, but there would have been cuts that would have less effect if they were not designed to make it possible to have a 30% cut in the income tax rate in this province. All of us have to recognize that. That's what I meant about a taxpayer-driven, a taxpayer-centred education system.

I was talking earlier about the need to discuss a vision for our education system, but let's look at what the current economic situation is. I'm using articles here from the Toronto Star, so they must be correct. This is in the February 2 edition, the business section, which I read devoutly every day.

"Plenty of Reasons for Market's Roar" is the headline. As the stock market "punched through the 5000 mark yesterday"—that is, last Thursday—"average Canadians could be forgiven for wondering what all the fuss is about.

"Why is the market roaring, when most people haven't seen" the changes in the economy?

"The answer is that while we live in the present, stock markets live in the future, usually about a year ahead. What they see is a set of extremely promising conditions."

Then let's look at the current conditions. This is another edition of the Toronto Star business section, January 31. It's all on the same page. It says:

"Barrick Expands." "Barrick Gold chairman Peter Munk has dug up 10th straight year of record profits." "In 1994, Barrick earned \$250.5 million on revenue of \$954.5 million." "And GM Tops 'em All—\$1.39 Billion Sets Record Profit." Scotiabank: "Banker Defends Record Earnings—Last year Scotiabank made \$876 million, the biggest profit in the bank's 164 years."

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February 1, "Brascan"—these are 1995 figures—"1995 Profit of \$312 Million Best in 96-Year History."

The question is: If these companies are doing so well and the market is looking forward to tremendous expansion, why do we need this tax cut at a time when we are all concerned about dealing with the deficit? Why do we need to make decisions that affect the future of our kids in this province in order to make it possible for companies like this to make even bigger profits? The profits are there. They're doing very well, thank you very much. Why are we—

Mr Peter Preston (Brant-Haldimand): Where does the money go? It goes to you and me and every other—

Mr Tony Martin (Sault Ste Marie): Bullshit. It goes into the bank accounts of the stockholders of those companies.

Mr Wildman: Well, let me deal—

The Chair: Let's have the discussion through the Chair.

Mr Wildman: You can get into this trickle-down theory and, as Tommy Douglas used to say, you know what it's like to get trickled on.

I'd like to talk about what we're doing in education, what the vision is, where we're going, and get some idea from the minister.

There's another article from the Toronto Star. This is January 28, talking about the future of the Ontario Royal Commission on Learning recommendations. One of the commissioners, Gerald Caplan, said:

"In general terms, I've become quite depressed about it. It seems largely to have disappeared into the vapour. Virtually every one of the groups that cheered us on after [the report's] release has found other initiatives, other priorities to pursue."

I submit to you that one of those priorities is the tax cut.

"And the few things of substance and importance being pursued have a very good chance of being undermined," says Mr Caplan.

In his view, what's happening is the government is cherry-picking certain things out of the report that are cost savings, which were recommended by the commissioners partly because they were cost savings, although that wasn't their main mandate, but is not doing the other things that frankly would cost more but would be good for education in this province, good for students, good for their futures, good for society, and frankly, even good for these companies that are making such profits.

For instance, the commissioners suggested the government should condense the high school program to four years and apply the savings—\$350 million estimated—to

expanded kindergarten programs. So we've seen the commitment to the condensation of the school years at the secondary level over a period of time. We've seen the minister comment that this will save \$350 million, approximately \$140 million of that to the provincial treasury and \$210 million to local taxpayers, but we haven't seen any commitment to apply that to early childhood education. And what have we seen in terms of junior kindergarten? The minister will say, "Well, of course, that's consistent with what we promised in the Harris counterrevolution document." The Conservatives said, "We're going to make junior kindergarten optional," and they've done it. They've also cut the funding for junior kindergarten. I think the minister also argues that the \$350 million, if it were applied to early childhood education, wouldn't cover the overall cost. Well, that's true. But he also cancelled the pilot projects that were being proposed that would have cost about \$1.8 million.

What is the vision of the future? We know the studies in junior kindergarten. We know the studies about early childhood education. We know the experience in Michigan. We know the experience in France. We know that for every dollar spent in early childhood education, we save \$7 later on in terms of costs: social costs, education costs, incarceration costs. We know that students who have a good beginning in early childhood education do better in school, they graduate from secondary education, they go on to post-secondary education in greater numbers, they get better places in the workforce, they are more productive. We also know statistically that the studies indicate there are fewer cases of unwanted pregnancy in adolescence, there are fewer encounters with the law, fewer cases of incarceration.

I think the minister understands those studies, and so what's he doing now? He's reviewing it, after he's made the decision and cut the funding.

I'd like to know why we are making these kinds of cuts in the face of the evidence of the importance of junior kindergarten, why we're going ahead with a commitment made by the Conservatives when we know it will cost us more as a society in future because of this decision.

I've had a lot of correspondence, as I know the minister has had, on this very area. I've got a letter here from the Hearst District Roman Catholic Separate School Board:

"Mr Minister:

"When the economic statement was released last November 29, we learned from it that the financing for kindergarten will be maintained, according to finances."

This is a translation, I might point out, so it may not be the best translation.

"This decision promotes the quality of education for young Ontarians.

"We are convinced that in order to thwart the assimilation and illiteracy of young Franco-Ontarians, the kindergarten program is an essential service. The impossibility of offering these programs by school boards or interested parties would have negative impact on the Franco-Ontarian community. The Roman Catholic school board of Hearst and many other school boards in the province

will have to think of closing kindergarten classes if funding is not put in place.

"We understand the economic situation requires you to make reductions to the funding, but faced with the negative impact, the closure of the kindergarten program may be what we face in the Franco-Ontarian community."

They're talking here about junior kindergarten. I'd just like to know from the minister, in terms of his own commitments and his vision, what are we doing about the royal commission report—all sides of it, not just the savings side—and why are we proceeding as we are with junior kindergarten at a time when the commission recommended otherwise and when all of the evidence seems to indicate that we should be expanding junior kindergarten programs and early childhood education, not making it optional and cutting back on funding?

Hon Mr Snobelen: A few quick comments. First, I'm encouraged by the statement you made early on that you believe there are cuts that can be made to education, and I would be very interested in the very specific areas you think we can cut in education. I think that would be useful for this government, and helpful, and I look forward to—

Mr Wildman: I just mentioned one: the commitment to cut back at the secondary level to four years from five. I pointed out that the commission recommended that money be applied to early childhood education.

Hon Mr Snobelen: I was very encouraged by your earlier statements about agreeing that there are places where there can be cuts in education. Again, any information you have on what you would suggest in that area I would find very helpful, and I would encourage you to put those forward.

Mr Wildman: I just gave you one. Respond to it.

Hon Mr Snobelen: As far as the taxes are concerned, I suppose there are still a few people in the province who believe that high levels of taxation, high relative to other jurisdictions that surround Ontario, equal higher opportunity and more possibility for the province. I personally believe that high taxes are a disincentive for investment in growth and jobs in the province, and that we need to reduce our tax level in order to encourage the growth of jobs.

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There are also those who believe that governments do a better job of spending, are wiser in the course of spending dollars than are people. I think people make good choices. I think if we leave dollars in people's hands, they'll do the right things with those dollars. I actually trust people to do that. So I think the tax measures that this government has suggested and made clear in the Common Sense Revolution are necessary if we are to do more than simply balance the budget of this province, but are to do that in a climate of job growth and increased economic opportunity for people in Ontario.

There may be people who are doing quite well right now who would forgo a tax decrease. Perhaps that's true of those who are employed in high-income positions. But for those who are struggling, that tax reduction will be the first real increase in income many of those people have had for some time. I think it's important for those

people and I think it's something that we need not lose track of, that this decrease in taxation is done to stimulate the creation of real jobs in the province.

By the way, I'm encouraged by the member's knowledge of the stock market. It certainly outstrips my knowledge of the stock market and I was rather impressed with his knowledge of what's going on with stocks in the province.

As far as the royal commission is concerned, as you know, the government has made the move to reify both some of the moves of the former minister and the former government and to bring to fruition what we think are some of the very useful suggestions of the royal commission. As I've said before, I was very thankful that there was a royal commission available to me. When I began these responsibilities, it was very instructive and very useful. I have had a chance to talk to both co-chairs of the commission and I have read the report and again found it very useful and found the observations of the co-chairs, while sometimes slightly dissimilar, very useful.

I believe, and I have said this on several occasions and I believe I'm quoted in the article that you read from—by the way, I've never thought that I would be encouraging you to read on in the article, but it certainly is a very interesting article and perhaps the fullness of its text would be useful to the people here and perhaps they'd read that at some other time. I believe I was quoted in that article as saying, and I'll restate it now, that I believe the royal commission was limited because it was not mandated to look at cost issues. As I've said earlier, a cost is a piece of value in education; it's not the only component, but it's certainly a necessary component.

The royal commission did suggest that we discontinue OAC, or grade 13, to go to a four-year program. It said that it could see no value in the five-year program. It felt that the preponderance of evidence was that a good system could exist in four years post grade 8. It did suggest reinvesting the savings from that program in early childhood education or JK. As you are aware, the total costs of the ECE programs are being anticipated by the province. The last year would have been \$1 billion on maturity. I believe that would be irresponsible in our current economic circumstances, and I believe there are a number of people around Ontario who do think that way.

Also, it's interesting to note that the reinvestment opportunity for the savings from a four-year program doesn't exist until 2001 at the earliest. It seems to me to be inappropriate to delay a review of junior kindergarten and programs to support young people in Ontario until that time.

I'm somewhat surprised that your observations around the discussions that centre on JK, junior kindergarten, would lead you to the conclusion that all people in Ontario are in agreement on this subject. In fact, I have had many conversations with people who are both educators and taxpayers and parents on the subject of junior kindergarten, and I can tell you there was a wide range of opinion on the value of JK, on how JK should be delivered, on the role of the investment from the taxpayers into the education of young people.

I think it's also missing sometimes, when you discuss this, that Ontario, with its kindergarten program and the optionality of a junior kindergarten program, far exceeds most jurisdictions in the education of young people. Around the world we are among the leaders in this area and continue to be among the leaders in this area.

So I think we stand on a proud record. I believe that we need to do a very thorough review, as we said in the Common Sense Revolution, and nothing that I have seen in the past six months would dissuade me from that opinion.

There is a variety of ways that we can assist young people, that we can make an investment in young people that will pay off in the long term for the province. In fact, that's obviously only one of several criteria on why we might do so. You have already mentioned studies in Michigan that involve a Head Start program, which is considerably different from the junior kindergarten program that the province currently enjoys. It is a very, very different program. It's targeted at high-risk young people. It is, again, a Head Start, not a school program, and it's distinct from the junior kindergarten that's been offered in Ontario. Because of that distinction, I think it's necessary to review the options that are available, to have a look at what is a responsible investment and how best to have that program. That's why I think a thorough review is very necessary.

Mr Wildman: I still haven't heard from the minister what his opinion is about early childhood education or junior kindergarten. He says there's a diversity of opinion within the province; I'd like to hear what he thinks.

Before he responds, I think the document that was referred to earlier, around which there's been some press and comment, the confidential document dated January 9, 1996, that came from the ministry, basically talks about \$1 billion in cuts rather than the \$400 million; that is, that the \$400 million, on an annualized basis, requires a \$1-billion cut. I suppose that some of the things proposed in the document as ways to reach the \$1 billion—user fees and cuts in preparation time and so on, which we'll be talking about later—are things that the minister has been referring to. But just specifically as it relates to JK, I suppose if we are financing a tax cut—and I guess that's what we'll be doing; we'll have to borrow money to pay for the tax cut—it'll mean that those who benefit from the tax cut will be able to pay perhaps the user fees that are proposed in this document of over \$2,000 a year for junior kindergarten if they happen to be among those who value junior kindergarten.

I think that to suggest, first, that there are no plans for junior kindergarten user fees and then the next day for the minister to say, "Well, everything is on the table," is to be confusing, to say the least. I'd like to hear what the minister's view is and I'd like to hear what he means by this review. What type of review is it? Who's doing it, who's conducting it, who will be consulted, when will it be completed? Why didn't you do the review before you moved to make changes in the current junior kindergarten program? Why not review in advance, rather than after the fact?

I'd like to hear what the minister's position is with regard to junior kindergarten specifically. Does he think

it's a value-for-money concept, something that we should be doing, either targeted or in a general sense? And can he tell us about this review?

Hon Mr Snobelen: I think it's very important, and particularly important perhaps for a minister of the crown, to keep an open mind when we're involved in a consultative process, and I am doing that as it relates to JK and some of the alternatives to JK and the possibilities of early childhood education across the province. I can tell you that at this point in time I don't know the answers because I don't think we've looked at all the questions and all the possibilities. That's the purpose of our review.

We have already engaged in an internal process of review that includes the review of the studies that are currently available and the history of JK in the province and in other jurisdictions. We are now engaged in a triministry approach to the province's role in the development of young people in the province. That involves the Community and Social Services area, the Health area and of course the Ministry of Education and Training, and that process is ongoing now.

At the end of those consultations, I believe we'll have a look to see what material is available, what data are available and what course of review would be most useful in this.

1140

Mr Wildman: Has the review started?

Hon Mr Snobelen: I've just described now the process we are undergoing at the moment, which is a review. We will then see what further process might be necessary in order to make sure that we have a look at all of the options that might be available to the province.

Mr Wildman: It seems to me you've got the cart before the horse in terms of the way you're approaching this. To do the review ahead of making decisions would make sense to me.

Hon Mr Snobelen: Now, with all due respect, sir—and, Mr Chairman, if I can interrupt—I'm probably more qualified to say where the horse is and where the cart is, perhaps not in all matters of government but certainly on where horses go in relation to carts.

Mr Wildman: I've been talked about in terms of which end of the horse I might know about too, but that's another—

Hon Mr Snobelen: I wouldn't make that suggestion. I would never make that suggestion.

The Chair: I just want to warn you, there's just three minutes left.

Mr Wildman: Okay, thank you. I'd like to get some specifics, though, with regard to the user fees. The minister is quoted as saying that everything is on the table in terms of savings and so on for boards. First, is the \$1-billion annualized figure accurate as far as the ministry understands? If it is, are we looking at the possibility of user fees in the neighbourhood of \$2,000 or more for junior kindergarten and also other types of user fees, as suggested in this paper, for classroom supplies, notebooks, paper, pencils, pens, paints, art supplies, textbooks and those kinds of things? Are we looking at that in Ontario in terms of our public education system?

Hon Mr Snobelen: The paper you make reference to is, I assume, the document dated January 9?

Mr Wildman: Yes.

Hon Mr Snobelen: My understanding of that document is that it is a listing of all or nearly all the suggestions that have been made to the ministry by the boards of education across the province, by their provincial bodies, by the directors of education and by others who are involved in education in Ontario as to how we might make reductions in the cost of education. That is a process that the minister announced on November 29 when he made the economic statement. He said we would consult with those persons involved in education in the province, and we have done that.

This is a compilation of the suggestions that have come in. I have said that it in no way represents policy of this government, that we will consider all of those suggestions. I am disinclined to reject or accept any of those publicly until we've had a chance to digest the entire amount of suggestions that have come in. As you know, there is a great volume of suggestions there. I suggest to you that it would add up to I don't know how many billion dollars if all of those suggestions were costed and put forward.

I've also said we are interested in this exercise in reducing the out-of-classroom cost of education. That's the purpose of our review. That's the purpose of our consulting with our partners in education. We are looking with them at how to reduce the out-of-classroom cost of education. User fees do not achieve that objective. They do not in fact lower costs; they just spread costs around differently. I know that you, and all of us in this Parliament, are aware of, the fact that there is but one taxpayer. So I am not convinced that user fees would meet our objectives.

That said, I am not going to reject out of hand any suggestion that's been made by one of our education partners. I think they require full consideration, and so I will not on a line-by-line basis accept or reject anything that's been submitted to us.

Mr Wildman: But you must be very close to making a final decision. The so-called tools that were asked for by the boards of education in the province to meet their cut targets are going to be announced very soon, this week or next, I would think, aren't they?

Hon Mr Snobelen: Well, it's necessary for us to make sure that we give the maximum amount of time we can to school boards that are responsible for really delivering education across the province. Consistent with that timing, we believe it's necessary to give them information ahead of when the normal grant information might have been available. That certainly would be towards the end of this month.

The Chair: That comment, Minister, brings to an end the NDP's half-hour. On the clock, we have about 11 more minutes. I suggest that we adjourn and come back at 1:30. That's okay with everyone, I presume?

The committee recessed from 1145 to 1335.

The Chair: We resume our estimates on the Ministry of Education and Training. When we left off, it was to be the government party to pursue its 30 minutes.

Mr Preston: I have a little question. I'm new at this and I would like to clarify some things, to ask the minister some questions.

The first question, and I'd like a direct answer: Was the document that was being discussed this morning a confidential document? I've never seen some of these numbers.

Hon Mr Snobelen: The document I believe you're referring to is the one marked January 9 that was brought forward this morning. It was released to the press, I believe, by the representative from the third party here today. It's a compilation of suggestions that were made to the ministry by directors of education, by boards of education across the province in response to the minister's statement on November 29.

It was and has been our intention to go out with our partners in education and seek their advice and their suggestions as to what this government might do to help them make the system of education more affordable. At the end of that process in December, staff at MET compiled some record of what had been suggested and then went about the process of consulting again with our partners in education, so that document was that compilation of suggestions, it's my understanding, and we have of course been in contact and consultation with people in the education community looking for what help we can be to them in making the system more affordable.

I believe the document was marked "Confidential," but it's not a government document; it's a document that comes from the Ministry of Education and Training and it relates to suggestions that were made by other of our partners.

Mr Preston: It's like a compilation of a brainstorming session where anything at all is thrown on the table?

Hon Mr Snobelen: Exactly.

Mr Preston: So that means that where all this information is coming from is totally useless and it's being used as fact by the newspaper and other people.

Hon Mr Snobelen: It's being interpreted to have been quantified or qualified in some way, shape or form. It has not been.

Mr Wildman: To be fair, the minister has said everything's on the table.

Hon Mr Snobelen: And so that—

Mr Preston: Don't start being fair.

Hon Mr Snobelen: To represent this as government policy misinforms the public.

Mr Preston: All right. I understand. Thank you very much, sir.

Mr Wildman: Just to help out, I found when I was in government that the quickest way to get something on the front page was to mark it "Confidential."

Mr Preston: That's the way their operation still works.

Mr Gilchrist: I'm going to make a brief rebuttal. Each of the other two parties took the preponderance of their last go-round to talk about issues that really don't bear on what's before us here today, but if we stray off estimates and into the minefield of revisionist history, I'd remind them that the taxpayers had the opportunity on June 8 to be the ultimate judge of who was right and who was wrong in the last 10 years. I'm prepared to stand on their

decision and not slight their deductive and perceptual abilities.

Minister, I'd like to come back to a comment made by Ms Castrilli before she left today. She focused on consultation. I appreciate that the interesting situation we have before us today is that we were debating the estimates produced by the previous government, and it's a formality perhaps, but I know you're already undertaking the preparation for the budget of this year's estimates process.

I don't mean to sound naïve, but you have a limited time to personally be out there meeting anyone, and perhaps if Ms Castrilli winds up being the Liberal leader, she will see more demands on her time and come to better appreciate the realities of being a minister, as Mr Wildman, I'm sure, can attest, or the leader of a party. It's somewhat irresponsible to suggest that you should be everywhere at all times meeting all people.

1340

I want to seek some clarification from you as to whether over and above your personal involvement in the consultation, you have had the opportunity to discuss matters with the other 81 members of your caucus, who in turn have gone out—I know I can speak for myself with numerous meetings with the officials and various professors at the University of Toronto, Scarborough campus—and brought back their suggestions to you, and I'd be surprised if I was the only one to have done that, for consultation with backbenchers for the 1996-97 estimates process, something I am led to understand is unique in the history of this province, that we were involving someone other than the ministers themselves in doing the serious hashing out of the specifics of the budget documents that will be brought forward later this spring, and that you have consulted with the grass-roots members not just of our party, but grass-roots people across this province, via the PC policy advisory council.

Before you answer that, I think it's worthy of noting that your subcommittee, the education policy advisory council, as well as all of the others are the groups that will be meeting in Hamilton on the 23rd and 24th of this month. I find it immensely ironic that the toadies and those who don't recognize the legitimacy of the June 8 election and instead want through bully tactics and thuggery to impede the democratic process in this province—the irony is that the very demonstration they hope to hold is standing in the way of the dialogue between ministers of the crown and rank-and-file individuals across this province. I find that immensely ironic.

At the same time, we've just over the last few weeks gone through a litany, a continuous cry from the other side for more debate, more consultation with individuals, our neighbours, both backbenchers and, through us, Ontarians in general, and the one time that we have an opportunity to have that event, they want to stop that dialogue.

I just want you to give us an indication of whether the consultation process has included all of those aspects and whether it will continue to do that over the term of your office.

Hon Mr Snobelen: Thank you for the question. Let me just state that there was some earlier conversation

about the document that's dated January 9, and I've suggested that this document was marked "Confidential." However, it's by no means a cabinet-level document. There has been some banter back and forth about this issue.

I think it behooves all of us in the service of the public to inform the public, but not to misinform the public. I think misinforming is a function of old-time politics that has no place today with the very serious issues that are facing this province. I know there have been representations so far, earlier this morning, about trying not to get into rhetoric etc. It's useful for us to not only not do that, to not take the partisan line all the time, but also to not deliberately misinform the public as to the nature of a document and not to make documents public in a way that would misinform the public.

I do think this government has a record of consulting with caucus. I know my caucus colleagues have been very useful in informing me of what's going on in their constituencies and the concerns their constituents have regarding education. They have brought forward many very useful suggestions and they've represented the concerns of people in their ridings to me directly. I think that's a very useful process and I'm proud that our government makes those opportunities available to caucus members, because it helps the ministers and I believe it helps the people of Ontario.

We have two very clear ways of doing that, or three really, one being working with caucus as a body, and secondly, working with caucus committees that are assigned to the particular ministries. The caucus committee that works with our ministry has been very helpful in discussing the issues in front of the province today.

Also, as you've mentioned, we have the advisory committees outside, external to the government. I first encountered these advisory committees when this party was in opposition. I had an opportunity to co-chair our environmental policy council when Mr Wildman was the minister there, and I might add that the deputy was involved in environment, so I got an opportunity to read the eloquent writings of both of these gentlemen while I was co-chair of that committee.

The committee process was, for this party in opposition and this government, very important; it continues to be very important. It's a chance for people at the grass-roots level, as you described it, in the trenches to bring forward their ideas, to discuss policy in a very meaningful way and to have a chance to contribute. I think it's an extraordinary opportunity for the grass-roots, for people who are daily making a difference in the province. In education, in our schools, that translates to the classroom teachers. We have representation from classroom teachers who are talking to us about some of the problems, some of the issues they face. That's extraordinarily useful and I'm very happy that exists.

My own personal involvement, as you mentioned, is limited by the number of hours in a day. That said, I'm proud to have spent about 25% of my time from September till now in schools. I can't see all the schools, obviously, but I can get a chance to have a look at what's going on in schools, how they compare to each other, what the significant factors are in the quality of educa-

tion, and a chance to see at first hand what happens in the exchange between young people and teachers.

That has been very useful for me. I've taken every opportunity. I've publicly thanked on many occasions the boards that have allowed me into their schools, allowed me to do it with very little fanfare, allowed me to do it for my own edification. I thank them again today. In particular, those who are close in my constituency, the Dufferin-Peel and Peel boards, have allowed me to, if you will, go in the back door of schools, to go in invited but without a lot of fanfare and actually talk to principals and teachers about the problems they face daily. That's been very helpful to me and again I want to thank them for that opportunity.

Mr Gilchrist: It's refreshing that we're not trying to do things from the ivory tower down here, and hands-on involvement, as in your and all of our past business practice, is the only way to get a grip on the reality of your business, in this case the ministry.

I'd like to touch on the subject of school board restructuring. I noticed in the paper yesterday the call from a local Scarborough group for Scarborough council to disband the Scarborough school board for some perceived slights that this lady and her group hold the trustees accountable for. As a result of the legislation passed last week, clearly we have the opportunity now to facilitate changes that might have previously been stonewalled by two or three individuals or by vested interests.

Have you given any thought to what we will save as a result of school board restructuring and the potential amalgamation of some boards? There's no doubt, as you look across this province, that the spending per capita waves a red flag, I think to any reasonable person, that there are tremendous inequities in the abilities of certain school boards to manage their resources efficiently. It's been widely quoted that the city of Toronto school board, despite the fact it has the same number of students as the Scarborough school board, spends \$100 million more every year. It doesn't necessarily follow that the Scarborough school board is perfect, but it certainly tells me that it's a darned sight better than the people who are supposedly handling the educational affairs and balancing their fiscal responsibilities accordingly here in the city of Toronto.

I think it's clear to the taxpayers, it was clear to them before June 8, that there is a need for the government to get involved in, if not mandating, at least giving much stronger guidance to school boards on how to manage their dollars. I'm wondering, as a result of any guidelines or just the evolution that you may have seen already taking place, what sort of dollars we can expect to see as a saving.

1350

Hon Mr Snobelen: The Chair has informed me that everything that happens in Scarborough is in fact perfect and I would never argue with the Chair on this subject. That is correct, Mr Chairman?

The Chair: So far.

Hon Mr Snobelen: That's a qualified "correct."

The Sweeney commission is due to report in the final fashion very soon. The interim report of the Sweeney commission caused a lot of conversation in this province.

There was an extraordinary number of communications sent to the commission as a result of that interim paper. There are a number of people in Ontario who want to focus the tax dollars, recognizing that they are a limited resource, into the classroom. The estimates of how much are spent outside of the classroom run from 40% to 50% of spending and it is by any estimate a large amount of money. We want to be able to have the lowest cost of administration so that the tax dollars involved go into the classroom and make a difference with the young people.

It seems to me that there are three places we have to look: We have to look at funding, the funding model for education; we have to look at the governance structure, at the middle level; then we have to look at local governance, the world of local people and their local school. Where we want to end up is with an affordable system, a system with a high degree of accountability and a high quality system. To do that we require some of the things we talked about this morning: strong central sourcing of information, material and curriculum, especially about the core subjects, because it's most economical to develop and to deliver those issues from the core, from the centre.

Then we want the schools to be able to operate with an enhanced amount of flexibility, responsive to the local community and with a high degree of autonomy. Creating a structure that allows for those two things and does it in an affordable way should be the object of this government. We should consider the report of the Sweeney commission in that light. We should consider the Working Group on Education Finance Reform in that light, and how we attain these goals. But again I believe we have to follow that formula where we look at funding models, then governance models, and then the local governance models to get the system right.

There's an extraordinary amount of money involved in the administration of education. By anyone's estimation, half is a lot, and half of \$14 billion is \$7 billion and that's an extraordinary amount of money. As I've said in the past, all the cards need to be on the table. We have to have a look at how we can do this in the most affordable fashion. Benchmarking other provinces is one useful tool, but it's also useful to take a blank sheet of paper and have a look at how we might do this better in the future.

Mr Gilchrist: My last question this go-round is on the topic of training. We've certainly seen a lot of debate over the last few months as we move to bring in workfare and edufare in this province. As someone who in my previous lifetime in business had the opportunity to employ a considerable number of co-op students over the years, I think I can report back fairly good success in terms of motivating them to become more involved. In one case, one particular program, almost all of them, over the course of about 12 years, went on to choose the profession they were being trained for as their full-time vocation after they graduated.

I'm wondering what your thoughts are on how we can mesh the training side of your ministry with the requirement to ensure that the people who have been left behind in this last decade, the one in eight Ontarians who had fallen through the cracks and was in need of government assistance, can assure themselves that they have the skills necessary for the jobs of today and the future.

We will no longer see sweatshops making T-shirts in downtown Toronto, nor should we. We are going to see computer companies. We are going to see a vast array of high-tech initiatives in this province in the years to come, and clearly we have a responsibility to ensure that the training matches the jobs out there right now. I wonder if you could share some thoughts, considering that will be a considerable, I would think, portion of the expenditures of your ministry over the next few years, on how we arrive at that balance.

Hon Mr Snobelen: Some of the people who have studied the current climate in the developed world, in the western world, have suggested that the rate of change we are now encountering is the most significant rate of change ever experienced by humans, that this change to a knowledge age is larger than the Industrial Revolution. It dwarfs everything we have experienced in the past. So it seems to me, and I concur with your remarks, that we need to adjust our training programs ongoingly to meet that world.

There's something I don't think many people think about when they think about this, and that is that it's our responsibility in the developed parts of the world to take on higher value added activities, higher value added jobs and careers so that the emerging nations have an opportunity to develop and to grow. They depend on us making these steps, and we often don't see that connection with the rest of humanity. This is important.

When it comes to training, it seems to me we have to be able to do a couple of things. One, we need to be able to focus our training dollars on the really core skills that people need. There is emerging a sense that people have to have a personal responsibility for their ongoing training, that all of us need to continually improve, to continually take on our own education, and this will be a trend that I think will grow over the next decade. That's why I'm so concerned about making sure we have entry into university and college programs for mature people, not just for those who are leaving high school. I think it's critically important.

We also need to identify where the public interest and the personal interest in that ongoing training divide. Adults obviously have a different level of responsibility than adolescents in our society, and will continue to have that and should have that, and so it's up to us to define the role of the taxpayer in re-education, in retraining, and the role of the individual. There are some instruments that might prove useful and those include the ability to protect funds intended for a person's own education, not just their children's, from the income tax system because I believe that in this changing world we're going to need those sorts of instruments.

We need to focus our training on two areas. One is the very core skills that individuals need to begin a process of training: the 1990s version of literacy, and those other core things that provide people with an entry into the high-tech fields.

I was in the trucking business for many years, not noted for being a particularly high-tech place, and yet over the last 10 years the drivers involved in that business have gone from basically steering for a living, if they'll forgive me for that characterization, to being

really a high value added component of the corporation. They do a lot of the data entry now from the cab of a truck. There are two and sometimes three on-board computers in the cabs of trucks. So their education, their training, needs to be at a much higher level than it was in the past. Illiteracy is not okay in that business any more and we've had to provide an enormous amount of training for those individuals.

We've done that. I think that's part of the private sector's responsibility as well. There's a division of responsibilities between the private sector, the individual and the taxpayer through the government, and we need to make clear those roles and those responsibilities as these training needs increase in the future.

1400

Mr Rollins: Minister, one of the things you have alluded to a little bit in just answering my colleague's question is that we've got to look at a different way we collect our taxes for the education system, what's looked at. I think as a member of Parliament that probably many of us, and I know I do, have a lot of people ask: "We think it should be adjusted, we think it has to be changed, because here we are 75 years old and my wife and I are starting to come to the end of our lives and we're still being penalized for school tax at a very heavy amount. I know there's a little benefit there, but is there no fairer way of doing it?"

In the revamping of our whole education structure I'm sure you've put some thought towards those lines. Could you express some of those thoughts to us and share them with us?

Hon Mr Snobelen: I believe, and I'm sure you share this belief, that the public education system is a critical commitment made on behalf of the people of Ontario, that the people of Ontario value education, value the system of education and expect to participate in funding it.

The question is, how can we fund it more fairly and how can we make sure that all of the young people across the province have about the same opportunity? We know that they'll make different uses of that opportunity based on individual traits, but they need to have, it seems to me, that same equality of opportunity. So what's the fair methodology of doing that, that allows for that equality of opportunity, in which everyone participates in funding the education system but it's done in a way that seems to be fair?

The Working Group on Education Finance Reform is addressing those very core, basic issues on funding and I'm looking forward to the report that should be made very soon. Dr Golden's committee was looking at the GTA, encompassing something less than half of the population of Ontario. That report suggested that we go to pooling revenues from commercial properties across a region. There are others who suggested that we pool across the province, that this would provide more equity in education, more equitable distribution of the funds.

We'll have a look at the full range of possibilities, but we'll look at them when they're reported to us by the working group, from that template of, "How do we have it be more fair? How do we have it be more equitable?" because I think that is important.

Mr Rollins: I believe there are a lot of people with a lot of interest along those lines, because there is a lot of

variation. We live in eastern Ontario, with probably a small base amount of commercial development as far as taxes are concerned. You could drive through a city block here north of Toronto and it would encompass probably 300 or 400 square miles in our area to come up with those kinds of things. So I think those are the things that need to be looked at.

The Chair: I have two more minutes or so, if you have any questions, or we could go to the official opposition.

Mr Patten: Just before I get into a few questions, you just made a comment, Minister, and I wonder if you would elaborate on it. You said that it is incumbent upon us—I think you said this—to develop value added jobs and that Third World countries were depending upon us to do so. Is that correct? Why is that?

Hon Mr Snobelen: If you look at the economies of developing nations—and I've had an opportunity to visit some of those countries, particularly in Africa—you'll see that there's a request not for charity but for access to markets and for access to capital.

One of the things they depend on the developed world to do is to get, if you will, beyond some of the very base-level lower value added occupations into higher value added occupations so that they can backfill those jobs. There's some of that going on now, but it needs to go on to a much bigger extent if we are to allow those emerging nations to develop at a fairly quick pace. That has a lot to do with lowering infant mortality rates around the world and I think it's something that we should take our role in very responsibly.

Most of these are agrarian societies and our subsidies in agriculture and other areas have an effect on their ability to market their products and to be able to afford the very basic conditions of survival. So it's important I think for us to keep in mind what our job is globally as well as provincially and nationally.

Mr Patten: Okay. I still don't see the relationship between trying to increase the level of job training here in Ontario and the development of the Third World. I will grant you that from what I hear, Third World countries are saying: "You can take your charity and" you know what. "We would prefer to have access to markets for our products and we'd prefer to develop our own societies without the ominous hand and influence of North American and European countries on how our society should be structured along the American model." I will grant you that, but I'm sorry, I still don't see the relationship between job training in Ontario and that other issue. But we can talk about that another time.

I'd like to go back to a few questions I had this morning that had to do with the future of adult education and continuing education and what might happen in that particular domain, but I would like to ask you if you would elaborate for me on the statement you made this morning, which was the differences between adolescent and adult education. You had said that there were some decided differences related to the two, and I ask you this question in the context of an adult who would return to school full-time to complete the secondary school diploma and what you think might be the different requirements.

Hon Mr Snobelen: I will, by the way, allow the deputy to make some comments regarding the funding models,

and I'll just say this in a very general sense. We do have different expectations of adults and adolescents in Ontario, different levels of responsibility. We have obviously custody responsibilities for adolescents that we don't have with adults; that's very clear. We expect adults to have a different level of responsibility for their own education and training than we do adolescents; I think that's very clear. Adults tend to learn at different rates and tend to have different objectives in the learning path.

I come from a family that perhaps is more typical than we think. My father quit school, I think, in grade 8, and then went on to graduate studies. Clearly, his education needs as an adult were different than his education needs as an adolescent. I expect that when I have the opportunity to return to the education system personally, my needs will be different than they were when I last was in the education system as an adolescent. I think it's pretty clear that there are different sets of needs, different sets of expectations and different sets of responsibilities.

I'll leave it to the deputy to fill in the information on adult ed.

Mr Dicerni: Prior to November 29, the ministry provided financial support to boards through two modalities, two ways. One was at a funding level dealing with continuing education, and the other one was in terms of the same as the per pupil grant. What was announced as government policy on November 29 was that all adult education would be funded at the continuing education level of funding, thereby providing boards with some flexibility as to how they wish to provide this service to—

Mr Patten: Therefore providing boards with less resources in order to try to maintain the same program?

Mr Dicerni: We prefer to present this as offering to boards flexibility in terms of how they arrange their resources.

Mr Wildman: Just another word for nothing left to lose.

Mr Patten: Mr Dicerni, the net result will be, would you not agree, that this means less resources in transfers for boards that want to operate the same level of programming?

Mr Dicerni: The funding level, I believe, for a secondary school student on a full-time equivalent is about \$5,000. For adult ed, I believe it's around \$2,200 or \$2,300. So if you are seeking to make the point that the \$5,100 is bigger than the \$2,200, I will agree with you.

Mr Patten: That's another way to say it. Okay, I'll accept that.

Can I ask this minister, you said that adults have a different responsibility—and I'm trying to put it in this context—and I believe you're saying that we have to do everything we can to get people off welfare, that we have to try to provide—as a matter of fact, we are obliging people to get off welfare, and to make the point, there is a cut in welfare levels. I'd like you to respond in this context.

1410

It's quite complex and I'm not one who says that you should be knowledgeable throughout the system on every single aspect, because I don't know if it's possible, because it's quite complex. But in conceptual terms, you want to encourage people to upgrade their training,

increase their employability, continue their education outside of the training mode, perhaps college or completing secondary school.

As I understand it, the adult education aspect is really for those adults who have recognized that they are limited in terms of either pursuing some training that would require them or at least give them half a chance at employment—there's a term for it in education; I think it's prior learning, or whatever it is—in order to qualify with some degree of leniency at community college for some program or other. So the reduction of adult education in this context would mean that people would have to either pay or would have to go on a course-by-course arrangement, that they could not go as a full-time person if the school board was not able to continue to fund the program?

Hon Mr Snobelen: The opportunity in adult education—the response will vary board to board. We have acknowledged that adults have a different cost base in education than do adolescents for a variety of reasons; among those, class sizes and other factors that make the education of adults a different cost base than is the education system for adolescents.

I believe that the emphasis on prior learning assessment is important. There is an experiment ongoing in providing equivalent to a secondary school diploma for those who can ascertain that they have that level of ability. I'm sure someone here can fill in more of the details of that, but that project is ongoing now. I think that's useful for people. To bring it to a personal or a family matter, it would not have been useful in my view for my father to return to grade 9 instead of law school. It seems to me law school was probably the appropriate place for him to return to and probably had a better effect both on the province and for him personally. There are lots of people in some circumstance like that, who require the equivalent of the accreditation to get on with more training, and I think we should do everything we can to facilitate that.

Mr Patten: I'm talking of those over 21 years of age. Presumably most of these people are on welfare because they're going to school full-time, or perhaps in a few instances that's not the case. The average stay is about nine months and the employability following this is quite promising.

I'm sure you have the statistics, and I'm trying to find them, but I was encouraged by some statistics that I saw—I think it was from the Metro school system—that talked about the results. There are two that I recall, anyway. They may be here; I'll continue to look. One was that upon completion—and in some cases you're aware that there are acknowledgements of one's life experience or other learning modes that are credit equivalents, which I think is very good. But on average a person might be there nine months, at least in the Metro school system, and 47% of their graduates are employed when they do a survey after four months. Who knows—I have not had the chance to ask—whether that employment is another government-subsidized program or not? That's a question I'll leave for my staff to take note of and I'll pursue that, or maybe you know what the answer is to that.

Some 36% go on to college, which I think is fantastic. I think that is an admirable level and probably comparable to, if not better in some cases than, the regular high school system, which I understand is only about 30%. So then there's another section, presumably, that goes on to other kinds of advanced training.

The economics related to that, it seems to me, are really positive. I'm not sure whether those figures are reflected across the province or not. Maybe your staff would know this. But what's your reaction to that? Do you find those results encouraging? Do you think they can be improved upon?

Hon Mr Snobelen: I will agree with you that it's very difficult to have personal knowledge of every aspect of the education and training post-secondary systems across the province. It's a very complex field. That said, I've had a chance now to participate with a graduating class of adult learners. I've had a chance to review at least the criteria for some priority assessment programs. We're dealing with a wide range of humans who come from a wide range of needs, some from social assistance, some who are recent immigrants to Canada who have had a fair amount of training or education in their home country and need to make those skills and that knowledge useful here in Canada. There is a variety of different people.

One of the things I'm encouraged by, though, is the kind of motivation that adults have when they re-enter a training program or a school program. Most of the individuals I've talked to have been very serious about making their economic and other conditions better, and they've been able to make a very senior effort at doing that. Some of the co-op programs that are involved have outstanding rates of success; some less so, but there are some that are having great success. I think we should encourage those and have them continue.

Mr Patten: The mode of training—you acknowledge and I acknowledge, and I think most would, that outside of the economics of it, there is a fairly effective program that is taking place. Let's assume, yes, it can always be ameliorated but that there's something of substance. Making the assumption that because of the pressure on school boards it will perhaps continue in some instances and others not, I'm not sure how the mandates will flow along with the lack of money or requirements for cut-backs or the nature of the tools that you have in your toolkit. So I'm not sure how this might work.

Continuing education is on a course-by-course basis, and if there is a significant decline and "the educational process" accelerated, where people are taking initiative and they want to move on to the next phase, get off welfare and begin to be more productive, what are your expectations? Do you expect that the continuing education model itself would pick up, replacing the requirement to address this particular population?

Hon Mr Snobelen: I think the continuing ed is an important component. Your examples are useful. I've seen that personally. We have a variety of young people who used to come into my former company who'd work for us on our maintenance side, who wanted to be mechanics. To get into the apprentice program, they needed to upgrade their math or their language skills. They needed access to a program that allowed them to do

that and only that. These individuals, for whatever reason, were less interested in family life skills and geography than they were in the math or language skills they needed to get upgraded in order to get into an apprentice program.

We have adults who have I think very clear ideas of what they need, who have a time component that's different than adolescents. They would like to get the information they need, get the training they need, get the knowledge they need as quickly as they can, so systems that recognize the value of their time and the focus of their interests are useful. Although I have met adults who are in regular school programs that were designed for adolescents who enjoyed that process, on balance I don't think it's the most effective way of delivering that knowledge and training.

1420

Mr Patten: By the way, I am advised that the 41% that went to the workforce did not go to government-subsidized jobs.

Hon Mr Snobelen: Yes, that's my understanding.

Mr Patten: That's a big positive.

In some of my discussions, Minister, I hear some worries that maybe 60% of school boards would drop—some say it may be a little less, some that are quite threatened say even more than that, but I would think about half of the school boards would not be in a position, especially outside of the Metro area, in terms of being able to maintain the adult education program as it's offered at the moment. As you know, some of these programs are not offered in existing schools, they're offered in rented facilities, and they have all of those costs to pay, over and against the system, and the school board has to pay for that. If that were the case, what would be your reaction?

Hon Mr Snobelen: I have talked to several boards informally about their response to adult education and I have not yet had that expressed to me. I will give you that I haven't talked to a number of boards outside of the GTA. I will be. My understanding is that the adult programs are going to have to look at some changes in delivery. Many of the people I've talked to in the system feel that that'll be an improvement, that it'll value the time of the participants and perhaps do a better job of focusing what the people who participate need to get on with what's next for them. I think we have a system, now we have the funding available, that will allow for an adult education system that'll be useful both to the participants and to the people who are delivering.

There have been comments made by boards to the effect that there are savings that could have been made or can be made in the funding of adult education and that perhaps it will bring forth some useful changes. That's been what I've heard from the boards.

Mr Patten: If you would agree with me for a moment that there may be some threat to the uptake of some of these programs and you're looking for resources, while I don't agree with the context that you have to live in and work in, because it would be pretty tough to justify if I were in it, I respect the difficulty of having to find resources to do the job as you're having to do it in conjunction with your colleagues.

But there is one area I would like to ask about, and that is, I know there are training funds that are operative in the workplace. A company agrees and there's some negotiation and there are consultants who go and work out arrangements. I'm aware of some of them. I'm also aware that some of these companies are profitable. I'm also aware that the very nature of their business demands—and I was reminded by someone recently from the business community who said any company that isn't a learning organization has a limited future.

I know you know that, but when we look at training dollars that go into, especially, certain fields, that ethic of retraining, for example, in the high-tech field is a given—the amalgams, the ability to think creatively, to be able to anticipate the next generation down the line within a year or two, and sometimes within time frames of a month. My question is, where is our accountability and responsibility? We have a company that is literally making millions of dollars of profits, subsidized by the government. Is it not worthy of some consideration to take some of that resource and say, "They're doing very well, thank you very much." I'm happy to see any company in Ontario do very well. However, it seems to me that part of their business is to continue to upgrade.

If you're talking about a subject totally new, or people who have already been laid off, perhaps that's another issue, but I'm suggesting to you that there may be resources that can be applied to this model, ameliorated or not, to this particular group of people who ultimately are a cost to themselves and everyone else and are showing the initiative, taking the initiative that they want to move on to the next stage. Is that not a very potential resource to apply to making sure that we keep this particular group of people who do not want to be a burden on anyone else, who are showing the initiative, that they get the support they need?

Hon Mr Snobelen: Your points are well taken. I share with you some sense of the corporation's or business's individual responsibilities to provide training. I do think that most organizations that are going to be part of Ontario's future are going to invest significantly in the training and development of the people who work at those organizations. One of the dilemmas that is emerging in that regard is the number of very small companies that have limited resources to make available, but even for those organizations it's become critical, even the two- or three-person organization, to invest a significant amount of their profits back into people.

You mentioned the high-tech side. I think that's true. It's always been traditional that high-tech organizations invest a lot of money in the training of their people. I don't see where we will be able to anticipate the training needs of organizations better than the organizations themselves can. That's at one level. By the way, though, I think some of the lower-tech organizations have been models of training people in the past, providing training for folks. If you think of some of the great service organizations, they too invest a significant amount of money in training their people ongoingly. There are some real winners in that category and those corporations tend to do very well.

We have a corporate responsibility that is outside of the government's responsibility, in my view. We have a second responsibility that's emerging now, and that is that I think a lot of people are taking personal responsibility for their own ongoing education and training, even though they are in currently secure jobs, even though they are in secure professions. They know and understand, people increasingly know and understand that they have to be prepared to move, to change careers, to have more marketable skills on an ongoing basis.

I think we can do a great number of things to encourage folks to make those investments in themselves, including perhaps encouraging our federal counterparts to allow them to save some form of their income, protect that income from income tax and allow them to reinvest in their own education. I think that's going to be critical in the future. No government will be able to afford to participate publicly in all of the retraining and all of the education that will go on in lifelong learning. We do need to prepare our institutions for that, but we need to have instruments where people can make their own preparations.

Thirdly, I think that government, the taxpayer, will always have a responsibility for making sure that the very core skills are available to people across the province. I believe things are beginning to separate into those three responsibilities. The high-tech side is really a corporate responsibility, individuals have a responsibility for their own upgrading and government needs to make sure the core skills, the very basic skills are available to everyone.

Mr Patten: I'd like to share some time with my colleague.

The Chair: You have about two and a half minutes, Mr Cordiano.

Mr Cordiano: I was going to ask you a very philosophical question.

Hon Mr Snobelen: It just has to be a brief philosophical question.

Mr Cordiano: I wanted to ask you a number of things, but perhaps in the next round we'll get to those. Let me just say that I was interested in your comments around the Royal Commission on Learning's breadth of recommendations, what you felt about the implementation of those and the balance that needs to be met with respect to what can be implemented in the immediate future and the more long-term in nature, questions around early childhood education, what you intend to do, to clarify that a little further in terms of your real intent around what conceivably may end up being JK, senior kindergarten kind of programming across the province. You've made various remarks around that and there is that report that was referred to, and everyone's curious as to the real direction the government is headed in.

1430

We don't have enough time for you to give me an answer, but I want to ask those kinds of questions. Furthermore, I wanted to ask what you thought your role as minister ought to be in the future, what priorities you're setting for the ministry, as you see it, and what you think you should be doing from here on in terms of dealing with the fiscal realities that have been imposed on you, whether you think that is something that can be accom-

modated, what priorities you're setting as a result of that and how you intend to cope. The thing that's easiest to do is to cut and at the same time not set course for the priorities that you will follow, maintaining various standards and maintaining the integrity of what the ministry is all about and what the minister's role should be.

You're not going to be able to answer that now.

The Chair: If you want to give the minister the chance to think about that, within another hour he'll have all those answers.

Hon Mr Snobelen: Do you think a mere hour will do it, in terms of contemplating time, Mr Chairman?

The Chair: Take what you will. I will now ask Mr Wildman to proceed with his 30 minutes.

Mr Wildman: I want to follow up on a couple of things raised by my friend Mr Patten and my friend Mr Preston. Probably tomorrow we'll be dealing more, at least from my standpoint, on post-secondary, but I do want to follow up on something that has been raised here as it relates to adult education. I've listened carefully to what you've said in response to Mr Patten's questions and I'm a little puzzled. It seems to me in terms of your government's program, and frankly in terms of what most people in the province would want, we should be doing everything we can to assist people to become more productive, to ensure that they can provide for themselves and their families and that they have the skills that make it possible for them to do that.

I'm trying to put your cuts to adult education at the secondary level into that context and I am puzzled. I'm not talking about people who are just taking continuing education courses because they want to upgrade themselves and perhaps make their skills more marketable in the workplace, or are taking just interest courses.

I'm talking about people who perhaps were dropouts in adolescence and who subsequently have perhaps even had children and have matured—mainly a lot of them on welfare, on social assistance, as Mr Patten indicated—and have come to the conclusion, have decided that they must get some skills if they're going to be able to enter into a particular job or be able to take training that might get them into a job they're interested in, or who have to get their high school equivalency so they can go to college to get the training they require and the skills they require to get a job. It really does seem to me to be counterproductive to be cutting funding for those kinds of programs that will enable those people to do that.

I really would like to get some idea from you as to how this fits into your overall aim, which is to assist people to gain the skills they require, and frankly the credentials they require, to get into programs that might make it possible for them to provide for themselves rather than continuing to receive assistance for themselves and their families over the long term.

Hon Mr Snobelen: There are three areas I can address, because they really are three areas. One, as the deputy minister said so eloquently a moment or two ago, this amounts to a reduction, certainly, in the grant allowable for adult education.

Mr Wildman: It was basic arithmetic. It wasn't that eloquent.

Hon Mr Snobelen: It was basic arithmetic done eloquently, I thought.

That reduction in funding is intended to recognize that we have a different cost in providing education services to adults and adolescents. I think that's obvious to most observers.

The other two areas are, one, prior learning assessment. I think prior learning assessment is important. It's something that was looked at in Vision 2000 in terms of the colleges acknowledging prior learning of people at entry. That's important so that people have an opportunity to get on with post-secondary education and some training in our community colleges, perhaps without having to return to high school to get the accreditation, if that's not necessary.

Then there is the third piece, which is the high school equivalency. There is a pilot project under way in Ontario. It has had, I think, a great deal of success. I personally believe it's time Ontario had a look at joining the other provinces and all of the states that allow people to get a high school equivalency certificate, to get on with their lives without having to go through the process of attending a high school for the full duration. They should have a chance to complete tests to show their competency and get the accreditation. That's my personal belief.

Mr Wildman: Okay, I understand that, I appreciate that comment, but what about the person who doesn't pass that test? What about the individual who perhaps dropped out of school at the end of grade 10 and says, "Okay, I want to"—whatever it is—"take a hairdressing course at community college," or, "I want to become an auto mechanic" or a millwright, and they have the opportunity for this equivalency test and they don't make the equivalency? They have to do the upgrading for grades 11 and 12 and that might take a year. Are you suggesting that they should somehow, because they're adults, pay a portion of that cost themselves? I don't understand what you're saying. What happens to these people?

Hon Mr Snobelen: I have of course a great deal of personal empathy for people who are in the circumstance of having not completed high school—

Mr Wildman: I didn't mean it that way.

Hon Mr Snobelen: That's fine, it's okay. I actually take no exception to that, although I should point out that no one in my family has so far, none of the males, at any rate, shown an interest in returning for hairdressing. That perhaps is because we're all follicly challenged, I don't know.

The Chair: Go right ahead, Mr Minister, you're doing well.

Hon Mr Snobelen: Thank you, Mr Chairman.

What we have suggested in the cut in the granting formula is that it is different providing education services to adults than it is to adolescents, that there's a different cost base in terms of class size and other components that has long been recognized in this province and other provinces, that it is different to provide education services to adults than it is to adolescents and that we reflect that difference in our grant formula.

1440

Mr Wildman: If that's the case, you've looked at that obviously before making this decision, and can you tell

me what impacts you found, that you anticipate, from the studies you did, in terms of these programs? How many boards of education do you anticipate will continue adult education programs with the lesser amount of funds from the province and how many do you anticipate will discontinue these programs?

Hon Mr Snobelen: As I said a little earlier, my own conversations with boards, and I will acknowledge they're limited at this point, have not indicated yet that any of the boards I've talked to will withdraw from this. I don't know whether the deputy minister or perhaps the assistant deputy minister who's responsible for this area would have more to add to that than I've made already.

This is one of the most competent ADMs in the whole world, Joan Andrew.

Ms Joan Andrew: The method of funding for adult education, the continuing ed rate doesn't preclude people from studying full-time. I think what we're trying to look at in adult ed—

Mr Wildman: I wasn't suggesting it did.

Ms Andrew: Okay, sorry.

Mr Wildman: What I'm suggesting is that boards might not be as interested in providing education to adults if they don't get the same kind of funding they got in the past. Is there any indication of that or am I wrong?

Ms Andrew: We have no adequate indication as boards go forward to consider the options. We have no statistical evidence yet one way or the other from boards as to what—

Mr Wildman: Before the decision was brought forward, did you do any impact studies? Did you gather any information from boards?

Ms Andrew: On the impact of—

Mr Wildman: What their reaction might be in terms of how this might impact adult students.

Ms Andrew: We're in the middle of conducting a survey of adult education as it impacts both school boards and colleges at the moment and looking at new ways of delivering adult education across the province. Whether it will be under the programs that presently exist or other ways of delivering adult education tied to other ways of credentialing students is not yet decided.

Mr Wildman: At the federal level, in the past the federal programs have provided for students, who were receiving unemployment insurance or were eligible for unemployment insurance who needed upgrading to get high school equivalency, for the federal government to purchase spaces at the community college level. The federal government has indicated it intends to discontinue that approach and will now provide the funds in some way or other to the students directly and that it'll be up to the student to determine how the student obtains the funding. Those students could continue to go to the college system, I guess, and use the money they receive, whatever that might be, from the federal government.

What about students who are not eligible for that kind of program from the federal government and who are on social assistance? Are you saying you anticipate they'll continue to be able to go to secondary school?

Ms Andrew: We have programs that are presently funded through the Ontario Training and Adjustment Board called Ontario basic skills that are actually deliv-

ered through the community college system; that is, the adult upgrading that the provincial government offers to those people who are its own training clients.

Mr Wildman: In that case, are you suggesting then that the programs provided by the boards of education were unnecessary and that people should be going to OTAB?

Ms Andrew: No, I'm not saying they were unnecessary; I'm just saying that in the past there have been a variety of different sources for the providing of basic adult education and we're in the process of trying to rationalize those sources and provide a somewhat more equitable funding base to those sources right now across school boards and colleges for those programs we maintain responsibility for.

Mr Wildman: Would I be unfair in suggesting that the purpose of this whole approach and review might be to try and encourage adult students to attend the college system rather than the secondary system?

Ms Andrew: I wouldn't characterize it that way. We are looking for the most efficient way for adults to get the education and credentials they need to regain the labour force. I think school boards can probably offer that as economically as colleges, but right now they've been funded in slightly different ways and we're trying to have a more rationalized system across the province.

Mr Wildman: Of course, the colleges also entail tuition fees which the secondary level doesn't because it's funded by the taxpayers without tuition.

I'm just wondering, though, since OTAB is one of the alternatives, perhaps the minister could indicate whether or not he anticipates OTAB, or something similar to OTAB, will be continued, in terms of training and upgrading in the province.

Hon Mr Snobelen: Certainly there is a review of OTAB now to make sure that the training system in Ontario has a governance structure that works, that seeks to provide the training that's needed by people in the most cost-effective and timely manner possible. We're reviewing the structure and the mandate of OTAB and we have not yet made any decisions about the future of that program.

Mr Wildman: When do you anticipate making decisions?

Hon Mr Snobelen: I believe the review will be complete some time this spring. We're looking in the April-May time frame, is my understanding.

Mr Wildman: So whatever decisions then could be in place for next fall?

Hon Mr Snobelen: That could be one of the consequences if in fact there are changes.

Mr Wildman: I'd like to return now to what my friend Mr Preston was referring to, this document that I think he said had no basis in fact. I'd just like to get some clarification on that. I noticed, Mr Chair, that the minister, in response to Mr Preston's questions, had a little homily on how people should be very careful not to mislead the public, so I certainly don't want to mislead. I just want to get some clarification. I don't know to whom the minister was referring. I suppose it is whoever that public-spirited person was within his ministry who released the document to us.

Mr Preston: A great way of putting it.

Mr Wildman: I hope the minister wasn't suggesting that member of his ministry staff should not have provided this information to the public, but I'm sure that's not what he meant.

In this document it deals with a number of things which I thought had some basis in fact in terms of what the minister was considering. For instance, it mentions a number of things that the minister has spoken publicly about. One of those things is preparation time and the cuts in preparation time that the minister has indicated might be one of the ways that school boards might be able to achieve some savings, so I'd like to pursue that a little bit.

This has become and will continue to be a very contentious issue, since the minister has been quoted publicly as saying, "...teachers should spend less time in the staff room preparing lessons." This is a quote from the *Toronto Sun*, January 15. I don't know whether that was a criticism of preparing lessons in the staff room or whether it was a criticism of preparing lessons. But surely teachers should prepare, I would hope, for their classes, and the question of whether they should do it in the staff room or elsewhere, I guess, is an interesting one.

Preparation time is a contentious matter and it is mentioned in this document and it has certainly been referred to publicly by the minister. I know the minister has been receiving a lot of mail since he made the comments on CBC radio in December to the effect that he didn't think teachers were overworked and that he was concerned about the amount of time set aside for preparation within the school day.

1450

I'll just refer to a couple of these letters. This is from a teacher, Mr VanderDoelen, who wrote to the minister saying he was flabbergasted when he heard your intent with respect to the preparation period.

"Without prep time, I cannot do my job properly. Please know that I'm not threatening you when I say I will stop the above," and the above are his extracurricular activities at the school: the science olympics team, school trip, the girls' flag football and a number of other matters this teacher is involved in, in extracurricular activities. He says, "Please know that I'm not threatening you when I say I will stop doing the above activities if I don't have my prep time, but I could not physically do all the things I have described and still prepare quality lessons, do my marking etc."

"I have argued that I put in a full day's work and then some. I am not presently complaining. If you remove my preparation time, I will still put in a full day's work, but I can assure you that the quality of school life for both students and teachers will be diminished beyond description."

I have another. This is from Margaret Beswitherick from east Parry Sound.

"If you take away my preparation time, you devalue many of my teaching skills so that when I enter my classroom, I must leave those skills outside my door. For in a room of 26 eight- and nine-year-olds whose abilities range from grades 1 to 7, I must concentrate on implementing strategies that will not have had the thought of

individualization afforded by my prep time. Please look at immediate feedback, materials, assembly, parent interviews, meetings, performance reviews and extracurricular activities" which she describes above that she's involved in.

"The loss of prep time obviously adds to my workload. Mr Snobelen, I am tired. My colleagues are tired. We are overworked and we will not be able to handle the stress of more work wrought by your erosion of our prep time. You do me, my students, their parents and the community a great injustice to even consider taking away prep time. Prep time allows for individualization. Its loss throws the education system back 30 years when rote, drill and memorization were the mainstays of the school system. This would be a far cry from the technological advances being shouted by business and government to educators as necessary components in today's curriculum. Teachers are our most valuable asset. Do not devalue us by taking away our preparation time."

I have another letter here from Ms Teresa Miller from the Central Algoma Board of Education. She just points out in her letter that teachers give unselfishly of their time in noonhours, recesses, before and after school, and prep time to the students. This will be not possible if the prep time is removed.

There's another one from Ms Barbara Wohleber of Britt.

"At the present time, because of the cuts already made, I spend most of my preparation time doing special education and operating the school's library. We no longer have personnel to do these things. Further cuts will mean that the students will not receive that special education or will have a library in total disorganization."

Another—and I'll finish with this—from Dave Nicol from Parry Sound: It's interesting the way he starts. He says:

"Your government's agenda is not one I disagree with in general. My concern is that your rapid cuts are based on dollars, not sense, and will unquestionably impact negatively on the classroom level. To propose otherwise is political naïveté or to be simply out of touch with the reality of the situation that schools increasingly find themselves in. The business model with which you are clearly comfortable and have made many references to fits educational administration until you apply it to the classroom. It simply does not work when you equate educationally, emotionally, socially developing children with impersonal commodities being produced on an assembly line."

"Imagine having 30 children over to your one-room house for a birthday party for about three hours. Most parents, business leaders and politicians would have anxiety attacks at the thought. Change that to six hours, then multiply that by five days a week for an entire school year. Now you're closer to the daily reality of a teacher. And in case I neglected to mention it, teaching isn't a party; children are here to learn. Now imagine that same scenario without adequate preparation time. I thought nightmares only occurred when you closed your eyes."

These teachers are very concerned about what is being proposed with regard to prep time, which is mentioned in

this document that apparently my friend Mr Preston says has no basis in fact. So if they have no—

Mr Preston: Mr Chair, I at no time said it had no basis in fact. I said that it was like a brainstorming session where everything is thrown on the table. A brainstorming session, for your edification, is where everything is thrown on the table and some of them are good and some of them are bad.

The Chair: Mr Preston, could we have Mr Wildman continue.

Mr Wildman: I appreciate the help from my friend. I get by with a little help from my friend.

I just wonder, though, if this is one of the good things that he's referring to which will save, according to this document and according to the comments made by the minister, \$400 million. Because it in essence means laying off teachers, and that's what it's all about. It's about laying off teachers.

The Chair: Is there any way you can share the document with the Chair?

Mr Wildman: The document, Mr Chair, is one that is in the public domain. I'd be happy to share it with you. I'm sure the minister could share it with you. At any rate—

Interjection.

Mr Wildman: I'll table it if you like in a moment. But anyway, I'm talking here about preparation time. We all prepared for these estimates, I hope. I tried to and I took some time. I did some of it in my time at home on the weekend; I did some of it at night, last night and the night before, and I did some of it during the day last week in my office. I guess that's prep time, and I wonder what it would have been like if we had come to the estimates unprepared, and here we're not having to deal with 30 young children who all have different needs and different abilities to which we have to respond.

You're talking about lowering the amount of prep time. I'm just wondering how you respond to these teachers who I think have written very sincere letters about why they think prep time, if it is cut, will not only hurt them but will hurt their students, and will hurt the education experience and the community.

Hon Mr Snobelen: First to the matter of the document, as it's been described. I thank you for providing the Chairman with a copy of that because it would be unfortunate if the Chair was—

Mr Wildman: Well, I could send it to him in a brown envelope, the way I got it.

Hon Mr Snobelen:—the only person not to have shared in this particular document.

The Chair: I try to be impartial.

Hon Mr Snobelen: Yes, and well-informed.

Whenever we have a public discourse with partners in the system, the possibility of having documents marked as confidential shared increases. However, we've been willing to take the risk of that in order to have full and frank consultations with our partners in the education community and will continue to do so. What is personally discouraging is when the documents are represented as government policy instead of a more accurate view of what the documents are and what they contain. That

seems to me to be public mischief rather than public information, and—

Mr Wildman: Just as a point of privilege, Mr Chair, I'd just point out I don't know to whom the minister is referring. In any of my comments regarding this document I said I didn't know what it was, that it looked like a government document, but I wasn't certain.

Hon Mr Snobelen: I'm glad. That sounds like a very responsible way of dealing with it. In the future, if—

The Chair: If you want to table that, then we can get some confirmation from the ministry whether it's an official document. Maybe that would be the way to go.

1500

Mr Wildman: The minister has already stated publicly, Mr Chair, that it is a document that was circulated within the ministry.

Hon Mr Snobelen: In the future, if such a document were to end up on your desk and you wanted to call over and get some confirmation of exactly what it is and what the origins are, I'd be more than happy to personally comply with that. That might help us to better inform the public.

As to the area of preparation time, there have been suggestions by boards and others that this is an area where we can be of some service and help, and help to make the system more affordable by making sure that classroom teachers have their time used as effectively as possible, in particular with being in contact with young people, in being in the classroom. We're willing to, as I've said in the past, consider that. We think it's worthy of consideration, particularly in light of the differences in the amount of in-classroom time classroom teachers spend in Ontario versus other jurisdictions. We're considering that request. We're considering it in light of the experience in other jurisdictions. We're looking now into other matters, such as what does use the time of teachers that is not productive. Perhaps we can lighten some of the load from teachers.

One of the reasons we've been looking forward to and hoping and encouraging a conversation with the Ontario Teachers' Federation and other teacher federations is so that we can bring up these matters with people who are responsible for representing classroom teachers. I've gone to the extent of discussing this with as many individuals as I can, many individual classroom teachers, but I think it would be very useful to have the Ontario Teachers' Federation and its member federations involved in a conversation. Unfortunately, they have declined the opportunity to do so over the past couple of months, but I hope they'll reconsider that position. I would make myself available to a meeting with them at any time to discuss these very critical issues.

As to the member's level of preparation, it is of course exemplary as always and I know that perhaps you have spent some time at home and some time in your office preparing for this, but I'm sure you, like I, find this public service to be a great joy and in fact we don't begrudge the time we spend in preparing for our duties and for carrying out our duties because of the great joy it gives us, because of the commitment we have to the future of the province of Ontario and the people in Ontario. So for you and for me, I am sure that prepara-

tion time seems less like work and less like a burden than it does as a joy. That's certainly the experience I've had with my limited experience in government.

Mr Wildman: I would hope the minister's not being flippant in response to this. These are sincere letters from—

Hon Mr Snobelen: I'm sure they are, and I'm being very sincere.

Mr Wildman: —mostly young teachers who spend a lot of time and a lot of effort on behalf of themselves and their students and their schools.

The Chair: I'm sure of that. I want to thank you very much. I would ask the government party to make its contribution. I'll make a suggestion here now, though. I'll just ask that we could take a break after you've made your 30-minute exercise, after your presentation here. Go ahead.

Mrs Ross: Minister, earlier, in answer to somebody's question, you said that we spent \$7 billion in administration costs. Is that correct?

Hon Mr Snobelen: The number that has been suggested by others runs between 40% and 50%. We spend approximately \$14 billion, so at the highest end of that estimate it would be around \$7 billion outside of the classroom. That's not just administrative; those are expenses that happen outside of the classroom. I'm looking forward to both the Sweeney commission's report and the report from the working group on education reform, because they have been looking very specifically at the costs and they'll have a better breakdown of what those costs are outside of the classroom.

Mrs Ross: Can you tell me if that cost has come down over the last couple of years, or has it gone up? Do you have any statistics that will tell us that?

Hon Mr Snobelen: In this regard it might be useful to have one of the representatives from the ministry give you some detailed information on that. I see there's a scramble now for the person who might be best to answer that question, so if we can defer this question for just a moment and ask a subsequent one, we'll bring you back to that.

Mrs Ross: Sure. Then I'll jump to something else. I'd like to go to Mr Wildman's discussion on prep time. I talk about this from personal experience. I have a daughter in secondary education. She's in a program called the self-pacing program, which began, I think, about eight or nine years ago and it was a pilot project at that time. It is now firmly enconced in the education system in my area; I don't know if it is across the province. I guess my question with respect to prep time is, a lot of people—business, professional people, doctors, lawyers, politicians—spend a great deal of time in prep time—

Mr Wildman: Both in their offices and at home?

Mrs Ross: —and a lot of people work from 9 to 5. It's been my experience when I go to visit a teacher, first of all, that I have great difficulty getting any appointment beyond 4 o'clock in the afternoon. They used to hold their parent-teacher evenings from 6 to 8, which allowed parents who were working the opportunity to come and discuss issues with the teacher. They then moved that from 4 to 6, and that's once a year they do that, I might add. So I have a real problem understanding: If school

closes at 10 minutes to 3, can teachers not use from 3 to 5 for prep time?

Mr Wildman: That's if they're not out on the football field.

Mrs Ross: Very few of them are.

Hon Mr Snobelen: This subject takes in the whole of what a professional classroom teacher does. Certainly I am not one to discredit the need for and the importance of extracurricular activities. I think that they're critical. Studies that have been done in other provinces, where, by the way, the amount of preparation time built into the schedule is considerably reduced from the time in Ontario, indicate that teachers work on average about 47 hours a week. That's the latest information. I have no way of disputing that. I do know that there are teachers in our system who work an extraordinary number of hours and there are some who work less, which I guess is typical of any profession. Many teachers whom I've talked to have expressed the fact that they work longer than perhaps they need to because of their level of commitment to young people and because of the joy they get from that work.

I think that's probably true of every profession, perhaps more true of teaching than some other professions, in that it is a very direct, personal profession. I think there is a great deal of reward based on that participation.

I do not think it is unreasonable. I know that Mr Manners of the Ontario Secondary School Teachers' Federation was quoted the other day as suggesting that considerable savings were made to the taxpayers because teachers didn't charge overtime, which is to equate teachers I think with people who are paid hourly. I don't think that teachers would enjoy that comparison. I think they regard themselves as a profession. I think they understand that while their year is limited to about 38 weeks, those 38 weeks are very focused, very high-energy, require a large amount of input, and no one is suggesting otherwise. The question is, how can we focus the time teachers spend in a way that makes the most benefit to students? That's the purpose of this entire review.

I take exception to those who would suggest that this is a subject that should never be discussed and that to do so is to somehow be disrespectful to teachers. That's far from the truth. I think that all of us in this room and most people across the province have a high regard for the standards and professionalism of teachers and know that we need to enhance that.

1510

Mrs Ross: Personally, I think we have some great teachers out there. My kids have had the benefit of being taught by several of them.

One issue I also wanted to touch on was the testing issue. I'm wondering, in light of the fact we're trying to cut administrative costs, are we going to create a bureaucracy to look after this standardized testing, and where is the money going to come from?

Hon Mr Snobelen: Bill 30, which is in front of the House at the moment, will establish an independent testing agency, the Education Quality and Accountability Office. This is an issue that was undertaken by the

previous government as a response to the royal commission and that we have, I think, improved slightly but are bringing forward. It's an important investment, as I see it. It'll cost us a considerable amount of money. We not only need to do testing and have that be public as a method of holding the system to account, if you will, both individually and as an overall system, and to be able to measure the progress of the system, of the education system, as a whole as we use different forms of curriculum and delivery methods—it's important that we do that.

I believe it's an important investment. I think it's going to cost. Obviously, it's going to cost to do the testing correctly in a way that gives us real results that we really can use, that really tell us a little bit more about how students are doing than a more simple test might. I believe it's an investment that's worthwhile. I think any system that does not test itself regularly is doomed to continue to repeat mistakes, to repeat failures, and that we can't afford to do that with our education system. I'm looking forward to it being a very clear message to parents across the province and a very clear way to hold education to account to the taxpayers and parents.

Mrs Ross: I just want to also comment on the consultation factor involved here. I, like my other colleagues, meet with teachers all across our areas from time to time. I met with a teacher who stated that, when we talked about standardized testing, she was opposed to it, and the reason she was opposed to it—and I still can't understand it—was the fact that are we there to fail children, or are we there to tell them that they can try harder? I thought that was kind of a funny comment because, in my opinion, if you don't have standardized testing you'll never know where your child is. I think children have to be accountable for their learning in some way, and if they don't fail how will they know—there's always another chance. I guess that's what I'm saying. There's always another chance. If you fail this time, don't worry; you get another chance. That's not really the way life is, is it?

Hon Mr Snobelen: There are lots of chances in life. Let me say a couple of things. One, assessment is a complicated field, and it's a field that's growing. I think our knowledge about how to successfully assess people grows. There's a lot of disagreement on the fringes, as in any emerging science, but I'm confident that the model that's being suggested is a good method of assessment that will accurately reflect how people are doing and how our system is doing.

There are some who believe that failure is the opposite of success. I am not one of those people. I think failure and success are siblings; that the opposite of failure and success is mediocrity, and not to measure both the individuals, the participants, the students in our system accurately and not to measure our system accurately is to breed mediocrity, not to breed success. So I refute those who would say that to measure is harmful. I think that not to measure is harmful. That's something I think our government has made very clear in our commitment to holding to account our system.

Mr Preston: I would hope that when the decisions are made regarding preparation time, that particularly section 27 teachers are taken into consideration. Section 27 is a classroom where children attend because they cannot

and/or will not and/or should not attend public school. Any given day at 3 o'clock that teacher will find out who he or she is teaching the next day, which could be anywhere from grade 4 to grade 11. It's not like the grade 2 teacher or grade 3 teacher who is teaching the same thing on the same day as she has been for 10 years. The amount of preparation for the next day for the section 27 classroom teacher is immense, and regardless of the classroom time or the staff room time that they use up, must spend an awful lot of time at home preparing. I would hope that this will be addressed when and if the preparation time is either pared or whatever's done to it.

Hon Mr Snobelen: One of the reasons I think it's very useful for us to have a chance to talk to the Ontario Teachers' Federation and the member federations is because the minimum standard provincially for education for a child is five hours, 300 minutes a day. Many systems exceed that by a slight amount. That's a minimum standard. When we're talking about the amount of time teachers spend in classroom, in front of young people, young adults, we should also be looking at minimum standards, not at a one-size-fits-all solution. I believe the more flexibility we can leave with boards and with individual schools, the more we can address those very individual needs you've pointed out.

Let me flesh out some more. There obviously is a different level of marking from some courses to other courses. There is obviously a different level of time to prepare lessons from one type of course to another. The standard model that's often discussed is that physical education versus English literature may have different marking requirements.

It's useful, I think, to have a conversation with the Ontario Teachers' Federation and the other federations that represent classroom teachers so we can bring to the table a more sophisticated discussion about the relevance of preparation time in different courses, different course loads, what minimum standards should be in the province, how it relates with other provinces, and where the teaching profession is going. I think those conversations are important to the system, and I've encouraged the federations to meet with us publicly on many occasions. I reiterate that now. I think it's important that we have those conversations and that we use some sophistication and some skill in developing those standards for Ontario.

Mr Rollins: With the Futures program and the kickstart program we have particularly for young people who find themselves outside the school system for one reason or another, the return, even though those people went through the Futures program and we've spent some good dollars on them, isn't extremely high as a percentage of people turned back out. But for every dollar we spend on it, we only keep about 20% of those people, but those people become taxpayers instead of tax takers. Even though those numbers would lead an outsider to look at it and say, "That system is terrible because we're not retaining enough of those," I hope when you make the decision on it that you look very closely at that. If we don't educate those children who fail to go to school—now, I know we didn't have any problem keeping you out of jail, but a lot of people have—

Hon Mr Snobelen: I hope that's not a question.

Mr Rollins: No, no. But a lot of people have fallen into that trap, and that's maybe our last opportunity to make them a part of society and make them capable of contributing to society rather than causing society an expense in keeping them. I think that needs to be looked at more than as just a dollar-and-cents value. As a back-bencher I encourage you to look at that very closely, because I firmly do believe as I've been fairly closely connected with that; we've had people from that program work with our place.

Hon Mr Snobelen: The Futures program and other programs like Futures can make a real difference, but I think we also need to look back one step from there and have a look at how we can encourage people to stay in school before they reach that high-risk area. There is a variety of contributing factors; individuals are individuals. But we can look in our system and see how we can make it more relevant.

One of those areas might be enhancing our skills training and making sure our curriculum is relevant and seen to be relevant to young people to encourage them to stay in. The other is by making sure we don't have people progress at a rate that is inconsistent with their skill level. A lot of young people have expressed to me frustrations at being in grade 9 and really not being able to cope; they feel like they've been pushed through the system. Perhaps if they had spent a little longer in grade 3 or 4 or 5, they've told me they felt they might be more ready for success in the high school grades. In fact, those young people were at high risk of dropping out, of not being successful by their own measure in high school.

1520

We need to look throughout the system and make sure it's relevant; make sure we have the skills training that young people want and need; I think emphasize co-op education—really have a system that is seen to be relevant to the young people who are using it. I believe if we do that, we'll have less need for Futures programs for at-risk people and we'll really do justice to the young people throughout the system.

I would like to say, though, that classroom teachers have told me on many occasions that they believe that ultimately part of the responsibility in education rests with the student—

Mr Rollins: Oh, it has to.

Hon Mr Snobelen: —and we need to make sure that we communicate that in our school system as well; that we communicate with young people, particularly with young adults, that they are responsible for some part of this, that their conduct and behaviours and attitudes must be consistent with learning. Classroom teachers have again and again told me that's a critical piece of the learning process.

Mr Rollins: I hope you take that into consideration. One other thing too: Children who go to college and university all of a sudden are receiving 18 and 17 hours a week of lecture time, and it's that kind of thing that's perceived by the secondary school teacher, that the person teaching university, with the child only being in class for that length of time—"Here I am, getting them ready the year before, yet I can't have prep time but I put a lot more hours into them." There may not be a big

dollar difference in paycheque—I'm not going to argue about the dollars in a paycheque—but it's that perception of the teacher saying, "Hey, the person up the road doesn't have to put in those kinds of hours, so why should I?" It kind of has a tendency to back down.

Is sending a child to university—I have one in college, and one in university, and it scares me to think that they get 17 and 18 and 20 hours a week in front of an instructor, and maybe in front of an instructor on a massive group of screens and 1,100 or 1,200 other people in the room with them. Wait a minute. Where do we go? I think that feeling gets back to the teachers in our lower grades.

Hon Mr Snobelen: There would be some discussion between those who instruct at the community college level that would be different from that observation. They might suggest that those who are on the other pasture have the grass greener. I expect some of that is pretty natural and pretty normal in any profession and probably in any industry.

The whole experience of undergraduate education is undergoing some enormous changes, some of which we talked about this morning, in all institutes, not just in Ontario but in universities around the world. In fact, there are many different delivery systems now being utilized for undergraduates.

One thing is very clear. We expect something different in terms of personal responsibility for young people and mature people in our undergrad programs than we do from adolescents and young adults in high school. That jump in expectation has been difficult for people to make over at least the whole course of my lifetime, if not several generations before me, and that continues to be the case. Universities have expressed an interest in making sure that we do what we can at the high school level to make sure young people are ready for that jump, because it's a significant jump in responsibility.

That's one of the reasons universities and colleges are represented on the transition group working on the four-year program we'll be introducing in September 1997.

The original question, which we were not able to answer, which had to do with some of the costings—if I may, I notice there is an expert in the room who might be able to come forward and give us some of those. Peter, if you would.

Mr Wildman: I know what an expert is: someone who knows more and more about less and less.

Hon Mr Snobelen: In that case, Peter is not an expert.

Mr Peter Wright: My apologies. When the question was first asked I was out of the room. Could I have it repeated so I understand entirely what I am answering?

Mrs Ross: I asked a question about administration costs. I was wondering if we have any statistics on how those costs have gone over the last number of years: risen or declined?

Mr Wright: It depends on the time period you're looking at. During the 1980s, generally speaking, those costs went up as a proportion of the total expenditure in elementary-secondary. The difficulty is that there is not what I would call a standardized agreement in terms of what you define as administration, so one of the things we have been doing in the education finance reform

exercise is to try and get some definition, and I gather John Sweeney in his work has been doing the same thing.

The recent experience, since the early 1990s and through some of the reductions—the numbers we're now holding suggest that the administrative costs are coming down, and coming down more quickly, particularly with the staffing levels. The heavy staffing in the board offices, where there were teachers in board offices—the numbers of administrators have been dropping in the early 1990s.

Mrs Ross: Would you have numbers on enrolment in secondary schools? Have they gone up or come down in the last five years? I'm trying to compare them with respect to administration.

Mr Wright: I don't have them with me at this moment, but, generally speaking, enrolment has been growing very slowly, around 1% or 2% per year.

Mrs Ross: Would you say the cost of administration has risen quite dramatically in comparison to the rise in enrolment?

Mr Wright: If you go into the 1980s, that was certainly the case.

Mr Wildman: Is that through the 1990s as well?

Mr Wright: In the 1990s, I don't have a comparison with enrolment. I would have to go back and look, but I would suspect it's at least stabilized, if not declined.

Mr Wildman: Costs are declining?

Mr Wright: Of administration.

Mr Wildman: Administration has declined in the 1990s?

Mr Wright: As I say, all I have right now are some staffing numbers. We don't have, as I said, a standard definition of what administration is, so that's the difficulty right now.

Mrs Ross: That's fine for now.

Hon Mr Snobelen: Thank you, Mr Wright.

The Chair: Is that it, Mrs Ross? We can take a break now until—I'll be generous—4 o'clock.

The committee recessed from 1528 to 1558.

The Chair: When we broke off for the recess, I think the Conservative Party had just wrapped up their half an hour. Now I think the Liberals would like to ask their questions and put their point of view forward.

Mr Cordiano: I have a few questions I started to allude to earlier. Minister, I think it's appropriate, for me anyway—I'm not sure if my colleague Mr Patten has delved into these areas; perhaps he has. I started off my earlier remarks by asking just what your priorities might be. What's your grand vision for the ministry in the sense of the role that you would play as a minister and how do you see that unfolding, given that so far what I've seen from you, quite frankly, as a minister is the kind of approach that fits in well with the overall government's objectives of cutting and getting the deficit under control? Certainly, yes, that would be helpful. Certainly, no one here today would suggest that getting our deficit under control is not a priority.

On the other hand, if you did get a measure of control with respect to the deficit, then let's put that off to the side for a moment. How much more efficiency would you want to see out of your ministry and, simply dealing with dollars and cents, how much more tolerance do you have

for restructuring, reorganizing, call it what you will—mostly it's downsizing—the ministry in order to effect the kinds of changes that I've heard you refer to? In the coming days, months and years, we will get a better idea exactly what is meant by some of the directions you're moving in.

But it's not just a question of semantics. I think you start with a basic approach that ultimately would lead to the desired change in thinking and approach with respect to those who are involved in the area of education. There's no question, there has to be a new thinking around how we deliver programs more effectively and efficiently, but at the end of the day, you've taken some \$700 million out of education, the two panels, primary-secondary and the post-secondary panel.

Interjection: And not finished yet either.

Mr Cordiano: And not finished. I'm trying to gather a sense of what your priorities are. Once we have this reduction in costs and expenditures, what would you deem to be a priority if you are on the road to deficit reduction? You're going down that path; that's being accomplished. What would you say to me today, as your answer to the questions: What are the priorities in terms of reorganizing the ministry, ensuring that we reach this objective? What are your objectives in terms of education? What do you intend to do with your portfolio?

Hon Mr Snobelen: It's a rather large piece to get my hands around, so let me again reiterate that I believe—in my opening statement in this process I spent about half an hour on what I believe are the key issues facing the ministry. I'll go over a few of those again now. Boiled down, I believe, as it relates to our secondary schools and primary schools, it amounts to making dramatic improvements in the affordability of our system, in the accountability of our system and in the quality of our system of education. Those three areas relate to each other and I believe that we need to make some very dramatic improvements in those three areas.

You've pointed to efficiency and effectiveness. I'd like to spend a moment on how those relate with the ministry itself. I am on record as saying that the ministry is a service organization. It is there to provide a service on behalf of the people of Ontario. So the question, in the right size, for that ministry is a contest in delivering those services in a way that's both efficient and effective. If efficiency's the matter of doing things right, then effectiveness is the matter of doing the right things. I think it's a case that's been well made in the past that to be efficient you must first be effective. You must have a sense of what the ministry is there to do.

I believe it's important that we have a look at the services that are provided by the ministry and make sure we understand what those service are that we provide on behalf of the taxpayers in Ontario. We have much focusing that can be done inside of the ministry and, I believe, some efficiencies that can be reached inside the ministry. I join with the people who work there, the very dedicated public servants who work there in trying to do both of those things on behalf of the taxpayers, to be more effective and, of course, be more efficient.

As for affordability, accountability and quality in the system, affordability is something that has received a lot

of attention, both in this process, as is its nature, and in the press. We are now making some moves at having the system be more affordable, benchmarking it against other standards in other jurisdictions and looking for methodologies of delivering education to the young people and the young adults of Ontario at the best possible value for taxpayers.

In my view, this is a continuous improvement process that we will not be finished with some day. We should continue to monitor, to measure and to look for more affordable methods of delivering the service ongoingly. I think education is a place where continuous improvement is important.

It's also important in the area of accountability. If we look at the measures we've taken in having a more accountable system, I think the EQAO is a move in that direction. I believe it will have the system be more accountable, accountable to taxpayers, accountable to parents and accountable to students. I believe that a standardized report card, an issue that we're working on now, will also have our system be more accountable to parents and to students. This, again, is an area where continuous improvement should be applied, it seems to me, that will never be done, in having our education system be more accountable. That's an area that we need to work with on community councils. It's another accountability measure.

As far as quality is concerned, these things all relate, obviously. I believe that the College of Teachers will do much to enhance not just the accountability of the system but also the quality of it, particularly in the professional development of teachers, which obviously needs to be addressed ongoingly, again for their continuous improvement. So we'll see many quality initiatives that I believe will improve the system of education in the province.

Mr Cordiano: Let's think forward. If in several years' time you've brought about these changes, you've reformed the system in fashioning it to your liking and then we have a situation where the dropout rate stays the same, would you consider yourself a failure at that point as a minister? Would you consider yourself a failure if we would measure your accomplishments by what the system is producing? Then at that point you would say to me, "Well, we have standardized tests and we'll use those as a benchmark to determine whether in fact the system is improving, in terms of what we've accomplished, what the outputs are, what students have learned," but if that dropout rate stays the same, would you consider yourself a failure?

Hon Mr Snobelen: I think ultimately everyone connected with education is concerned with one thing, and that is making sure that we leave young people in our school system with the core skills, knowledge, disciplines and habits that are necessary for them to have an opportunity for success when they exit school, whenever they exit school, and enter into the career or field of their choice. I think presenting young people with the opportunity for a life of success is what the school system is there to do.

Mr Cordiano: I understand that, Minister, but I'm trying to figure out how I am going to hold you accountable and responsible for the system as a whole, because you

see, all the way through the system what you've described to me you would agree applies to any organization—accountability, affordability, making sure that we have the kind of quality that everyone desires. Those are all ideal objectives that I would continue to support. I would applaud you for making an effort to achieve those things in your ministry.

But I would ask you to tell me how it would be different if you were minister of any other ministry. You would want accountability, you would want affordability, you would want quality to be of the highest value for any service that you were delivering in any ministry of the government. I'm sitting here trying to figure out how I hold you responsible and accountable for your actions. How do I know if you're going to be a success at the end of the day? How do the teachers out there hold you accountable? How do the parents out there hold you accountable?

1610

The only measurement by which we can hold you accountable so far is by how much money has been cut from the budget and therefore you're achieving those objectives, which are understandable. I'm not disputing that you need to gain efficiencies, but efficiencies at what price? If the tradeoff is your exacting a toll on the education system and you're not getting anything back—I want value for money out of what you're doing. I want to make sure that what you're doing will give us a bigger bang for our buck.

How are you going to prove that to me in two years' time or a year's time, whenever the next cabinet shuffle is or before the next cabinet shuffle, so I can hold you accountable? I'll come back to this committee and ask you those questions.

Hon Mr Snobelen: I alluded to earlier and will continue to point to two things: One, I believe that the education system—I want to make sure I underline this—will never be done in terms of improving, I hope, because surely this is an area where continuous improvement is important.

I do recognize the difference between cost and value. I believe that the people of Ontario want to maintain or enhance the quality of the system and have it be more affordable. I've said before both here and elsewhere that we need to enhance the measures of success in the system of education in Ontario. I think the EQAO is a good step in that direction but I believe that we need to provide better goalsticks, better yardsticks, if you will, for the quality and the performance of the education system across the province. I believe that when we have those measures in place it will be much easier not just to hold the Minister of Education to account, and surely we should do that, but also to hold everyone in the system accountable.

Mr Cordiano: Let me ask you very specifically about affordability. By that, you mean that it would be more affordable to whom? To the taxpayers? To the government? To school boards? Try and define that for me because I'm not certain what you mean by that.

Hon Mr Snobelen: Well, affordable—

Mr Cordiano: You see, what you've done so far, if I may just finish, is you've cut \$700 million out of the budget.

Hon Mr Snobelen: That's \$800 million.

Mr Cordiano: Sorry, \$800 million. What's \$100 million? You can't find—\$100 million I understand today is missing from somewhere. Your government's still looking for \$100 million.

Mr Gilchrist: Gilles Pouliot said he gave it back to Bob.

Mr Cordiano: So \$800 million, not \$700 million. The question is, how do you define affordability? Because if you're suggesting to me that cutting the amount of absolute dollars that are in the system makes it more affordable, for whom, I would ask.

Hon Mr Snobelen: The value in education has to be a measurement of both its cost and its quality, and I believe it's important to have qualitative measures across the board, some of which need dramatic improvement, in my view. That's the accountability side. Affordable is obviously to both those who pay for the system currently and those who are using our school system now who will be asked to pay for both the education of future generations and in some cases their own education as the debt piles up at the rate of a million bucks an hour.

Mr Cordiano: I'm a property taxpayer. Are you suggesting, Minister, that you're going to lower my property taxes so it's more affordable for me to pay those costs that are being incurred by school boards across—I'm trying to understand. What is it you mean by affordable?

Hon Mr Snobelen: We've said time and again, and I believe that you'd probably find agreement in this room at a very minimum on this, that there is but one taxpayer. We pay taxes in a variety of forms, as you know—property taxes, consumption taxes, income taxes—but there's one taxpayer in the province.

Mr Cordiano: What about tuition fees? You're allowing universities to increase tuition fees, so the question of affordability there becomes one of perspective. I'm an adult. It's certainly not going to be more affordable for me to pay for my child's education. It'll be more expensive in the future. If you impose additional user fees, the question of affordability is again questioned by the people of the province who are utilizing, to use your language, that service.

I guess the real point I'm making is that when you use terms like "affordable," it depends on which side of that equation you're talking. It'll be more affordable perhaps for the Ministry of Education, in whatever way you're describing that, which I still have to figure out. But when you've cut \$800 million from your budget, the system is short \$800 million and I have yet to see how you've made the system more efficient, because it's easy to cut dollars, but how do we measure the efficiencies you would gain by those cuts? Have you defined for us an accountability framework for those efficiencies? How do I know that in effect the system will be more efficient?

Hon Mr Snobelen: Let me stay with the schools section at the moment. We can talk about the colleges and universities as a separate conversation, but I'm more than willing to have it with you.

In the schools sector the Minister of Finance announced in the statement of November 29 that we'd be reducing the grants by \$400 million, which represents

about 9% of the overall system cost, about 3% of the provincial contribution. He announced at the same time that we would spend the month of December consulting, asking the people in education in Ontario to give us some advice on what the province could do to help them reduce the out-of-classroom costs in the education system. We've received that, some of which is contained in what has been referred to as "the document," which I note the Chairman now has a copy of.

The Chair: It didn't come in a brown envelope either.

Hon Mr Snobelen: We can get you the brown envelope. If you promise to recycle it, we'll get you one.

This is a listing of some of the suggestions that have been made to us by boards of education and others as to what the province could do to help them reduce the cost of out-of-classroom expenses in the system. We'll be responding to that in the very near future so we can work with our partners in education in lowering costs. People have alluded to user fees in the system, and I have said publicly, both before this committee and prior to, that this is an effort in reducing the cost of out-of-classroom education and that user fees are not consistent with the exercise.

Mr Cordiano: With all due respect, I think everyone would agree with the costs that can be eliminated or the expenditures which can be reduced, which are out-of-classroom expenditures, and therefore I think those are the easy cuts to make. At the end of the day, when we talk about what's more affordable—I guess I go back to that; you're referring to the affordability question as it somehow relates to the budgetary deficit that the Ontario government faces—with respect to the school boards and those transfer recipients, if they lower their costs, presumably it would put less pressure on them to raise the mill rates or to raise what they have at their disposal, impose user fees, whatever method you might use in the future to raise revenues.

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At the end of the day I come back to the question of accountability for the actions taken and how we measure results. How do we measure results in the context of a system which is seeing less dollars flow into it, which is up to a point acceptable and can be achieved, but what if we get a situation where you have fewer teachers in the system, in the primary and secondary panel, and classroom sizes start to increase?

I ask you this question: Will I hold you accountable for that? Will I come back in two years and say: "Minister, we told you there would be problems down the road. You're underfunding the system and you're reducing the number of teachers and suddenly classroom sizes have gone up"? Because at some point you cross that line where there's no reduction that's possible; you've reached the critical mass and beyond that point you cannot go. This is what I'm trying to ascertain from you: At what point would you then be held accountable?

Hon Mr Snobelen: I think the quality issue in the field of education is certainly no easier than any other field, and perhaps more difficult, because the success of individuals and the opportunity that individuals have may be difficult to quantify. But that doesn't mean we shouldn't make attempts at quantifying what we can in

the system. That's why I believe the EQAO, which is a recommendation of the royal commission and which is an initiative started by the previous government, is important, so that we have some better measures for the success both of our education system and the people in our education system, which ultimately is the success we're building to.

I believe when we make reductions in cost we have to do so by using the measures that we have available to pursue reductions that will not affect the quality of education logically. That's why we've consulted widely with our partners in education. That's why we've invited all the people who are concerned and involved to come in with their recommendations on how that might be achieved. Because I believe there is a vast array of knowledge in how to reduce waste in the system within the system, and it's necessary to talk to educators to do that.

Mr Cordiano: Fine. I agree with that. But if the number of children in each classroom goes up, am I going to hold you accountable for that? Can I then say down the road, "You did not concern yourself with that quality question"? I think everyone recognizes that if the classroom sizes do go up, then we're not getting the same level of quality from the system. Would you agree with that?

Hon Mr Snobelen: I believe that the ultimate measure of quality in the education system is the success of the students. Ultimately that measure will be made more accurately and better by an outside agency of the ministry like the EQAO, which will now be, as soon as that bill passes and we can construct the EQAO, an agency that's designed to hold government and the minister and everyone involved in education to account for the results of students in the overall system. I think that's an important step in that direction. As I said, continuous improvements are necessary in any system and we'll continue to improve the measures, but it's an important first step in measuring.

I was quite taken by the lack of measures in this field. It's very interesting for me, as an outsider, if you will, to walk into the system and discover that the pupil-teacher ratio has absolutely nothing to do with class size. I found that to be astounding when I first entered the ministry. I believe it's very interesting that we have a PTR in the province of something like 15 to 1 and that our class sizes are on average 25 or better. It's interesting to me that those ratios don't seem to be a measure of either effectiveness or quality of education.

Mr Cordiano: If that's the ratio you would use, obviously that's—

Mr Wildman: To be fair, Mr Cordiano's talking about class size.

Mr Cordiano: I'm talking about class size, yes.

Hon Mr Snobelen: I'm just noting the fact that the PTR measurement has no correlation or seems to have no correlation to class size, which I found to be somewhat astonishing when I entered the ministry.

Mr Cordiano: I'm looking at it from the point of view of the parent.

Hon Mr Snobelen: Yes.

Mr Cordiano: Certainly a parent would say: "Class size is important. I don't want my child in a class with 30 kids." Because ultimately it's common sense that that child would not receive the same kind of attention as if he were in a class with 15 children or 20 children.

Hon Mr Snobelen: I've never claimed, nor will I likely claim in the near future, to be a pedagogue, and so I know there's some disagreement about ideal class sizes, but I do agree with you that parents are concerned with that.

They are very concerned with knowing about the achievement of their own child, how their child's doing in the system, how their child's doing versus other children of the same age, how they're doing against expectations. One of the things that they've asked government for and that I think we should be able to do is to address some of the concerns raised earlier. One of those is by having a standardized report card, one that is very legible for parents so they can understand how the young person is doing. I've heard from many parents who suggest that the report cards they're currently getting from a variety of different boards don't give them much information on how their child is doing. We need to do that.

Standardized reports, standardized curriculum and the EQAO would do a lot to have us have measurements that are useful for parents and that hold to account the Minister of Education and other people in the education system.

Mr Cordiano: Just to summarize, I can come back to the estimates committee in a year's time and you'll update me on some of these things: the dropout rate, classroom sizes. When I ask questions about those things a year from now, you'll be able to tell me, with some level of assurance, that those elements in determining accountability for you will not have been deteriorating, that those numbers will be improving in some sense or will be held to, and therefore quality will be upheld. Those are the kinds of things I want to make sure are happening in the system, that as you continue to gain greater efficiencies, you're not sacrificing quality.

Mr Wildman: I found the line of questions of Mr Cordiano quite interesting and I'd like to pursue it a little in the context of the document and also the questions I was raising earlier about prep time. I think Mr Wright said that in the 1980s administrative costs rose more quickly than enrolment, but that administrative costs in the 1990s had levelled off or declined somewhat.

In the election document of the Conservative Party, there was a commitment to lowering out-of-classroom costs substantially and there was also a commitment not to affect the quality of classroom education. I would submit that in terms of the numbers now being considered to deal with the deficit and make it possible to have a 30% tax cut, those two commitments are irreconcilable and are impossible to meet.

In the document, the first page is entitled "Context." It says: "GLG"—that is the general legislative grant—"for 1996 has been reduced by \$400 million. Boards have only four months (September to December) of 1996"—since boards are on a calendar year fiscal year—"to effectively reduce expenditures." Since they're already into this fiscal year, we're talking about the next year.

"To effect \$400 million in savings in 1996, expenditures must be reduced by \$1 billion on an annual basis. One billion dollars represents a reduction of 22.7% of the provincial operating grant."

Further on in the document, on page 16, it talks about how these savings in this magnitude might be found, and the minister has said or my colleague Mr Preston said, "This was a brainstorming session"; I'll accept that, but it was talking about how we might get to \$1 billion.

It says "administration board office, \$89 million; in-school supervision, \$100 million; custodial, \$76 million; preparation time, \$400 million; user fees, not established," because we don't know whether they're going to do it and we also don't know how much revenue would occur, or savings would occur from them, for a total, not including user fees, of \$645 million; \$645 million added to \$400 million announced in November is \$1 billion. That's how you might achieve your \$1 billion annual saving.

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If we are indeed talking about cuts of this magnitude, \$1 billion, I submit it is impossible to avoid affecting classrooms. I will use the preparation time question as an example of that. I think we'd all admit there are less active or less effective individuals in any profession, perhaps even in politics; having said that, let's deal with the fact of how teachers use preparation time and what preparation time is for:

Obviously, for "preparing lessons," directly related to classroom education.

"Readying classrooms, labs, gymnasiums, shops, computers, equipment, facilities for use by students." Again directly related to classroom education.

"Correcting, grading and recording attendance.

"Performing administrative work" related to "extra-curricular activities." That's not directly related to classroom education, but it is related to the education experience.

"Helping students who are unavailable before and after school with individual study problems"; remedial work, in other words.

"Advising and counselling students and contacting parents.

"Meeting with...other teachers, administrators, consultants...guidance counsellors....

"Ordering and distributing instructional materials.

"Preparing courses and programs in the face of ever-changing curriculum demands."

Just as an aside, I would hope the suggestion that was made that some teachers who teach the same courses 10 years after another don't have to do much preparation time is not the norm, because there is such a thing as 10 years' experience and then there is also one year's experience 10 times over.

Mr Preston: On a point of order, Mr Chair: I did not say that. I said that some teachers have a more onerous task than others, not that some teachers didn't need the preparation time. I don't need him to take the figures out of a piece of paper and make those false on top of putting words in my mouth that are false. I'm sorry, sir, I did not say that.

The Chair: Proceed, Mr Wildman.

Mr Wildman: I certainly would not want to get into your mouth.

I talked about the preparation of courses.

Dealing with other teachers: "assisting in situations where teachers are required on an emergency basis to supervise students or to fill in for other colleagues" on an on-call basis.

All of those, except the extra-curricular activities—and you might make the argument even including that—certainly all of them directly relate to classroom education. If you cut back on this, you affect classroom education.

It's been suggested that in Ontario at the secondary level we have twice as much preparation time as they do in other jurisdictions in Canada, such as British Columbia. I understand in British Columbia out of an eight-period day they have one period of preparation. My understanding is that in most secondary schools in Ontario there are two periods of preparation out of an eight-period day; one of those is an on-call period.

My question really is: Are we eliminating the on-call period or the other preparation period? If we're eliminating the other preparation period, then you haven't gone to the British Columbia model; you end up with a situation where there is less preparation time here than there is in BC.

Hon Mr Snobelen: Let me say that the discussion about on-call time or preparation time is certainly not complete. We have had a recommendation from boards that we examine this possibility, that there is perhaps a possibility for having a more affordable and more effective system by looking at the on-call/preparation/other—really, the use of classroom teachers, to make sure the classroom teachers are able to make the biggest contribution they can make.

It seems to be, and I have said publicly, that this is at least worthy of consideration. There are those who think that even having that conversation, even considering it is an affront, but I think that's somewhat intellectually dishonest. Surely in this sort of review we should be able to discuss all of the cost components that go into education and have a look at them.

Mr Wildman: I'm not suggesting it's an affront. I will say, though—

Hon Mr Snobelen: I didn't suggest that, just to be clear. There are others who have made that point. If I can, just for a moment, you made mention earlier of the way this fits within the government's general mandate, which is to reduce and in fact eliminate our deficit spending in the province and to reduce the taxes paid by the working people of Ontario, and certainly there is that play. I've said publicly on many occasions that in the past perhaps educators had a responsibility merely for preparing young people for the future. Now we have a responsibility, it seems to me, for preparing the future for young people, and that's a responsibility we all need to shoulder.

I also do not find it irreconcilable that we could have a lower-cost system with higher quality. Even if we use the outside edge of the numbers you've been discussing here this afternoon, we would be reducing our expenditures by something less than 10%. If you talk to people

across the province, they'll tell you that in other forms of endeavours and other organizations and other kinds of work, we have been able to have substantially more financial improvements than that without hurting, and in fact enhancing, the quality of service provided in a variety of other endeavours. So I don't find it irreconcilable at all. As a matter of fact, if we measure this against the standards of the other working people of Ontario, what they're achieving today versus 10 years ago, I think you'd find this is not very ambitious at all.

Mr Wildman: Okay, having said that, since you're considering this—and I'm engaging in a conversation about this; I'm not suggesting it's an affront to discuss it.

Hon Mr Snobelen: Just to make sure you understand, I did not accuse you nor would I accuse you of that. There are people, though, who have had that reaction to the discussion around preparation time and on-call time; they view this as an affront of some sort.

Mr Wildman: I would agree with those who would argue that you cannot do this without affecting classroom education, and if you're going to affect classroom education with your cuts, say so. Don't pretend that you aren't.

Would you agree with the numbers I gave, that came out of this context, that in fact the \$400 million on an annualized basis is \$1 billion?

Hon Mr Snobelen: The Minister of Finance on November 29 said we would reduce the grants for the next fiscal year by some \$400 million, and so far as I know, that's the only announcement this government has made as it relates to grants for schools across the province.

Mr Wildman: But since they're already into this school year and they've got to adjust to your cut in grants in this fiscal year, which ends in December for the boards, they will have to find the \$400 million in savings in four months, from September to December 1996, and take \$400 million out in four months. What does that mean for the total year?

Hon Mr Snobelen: We've announced a \$400-million withdrawal from the grants for the next fiscal year—obviously speaking about the province's fiscal year; there is a different fiscal year for school boards. If school boards were to make all the reduction within a four-month period, recognizing that they don't have a 12-month cost base, it would result in a larger-than-\$400-million reduction in cost for their system. The exact number I don't know, but the speculation you've entered into today is consistent with the speculation others have entered into, which is somewhere in the \$800-million range.

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Mr Wildman: Have you done any calculations in terms of the possible savings on preparation time? Is this number, on page 16, of \$400 million within the realm of reality of what might be the saving accruing from the changes at the secondary and elementary panels?

Hon Mr Snobelen: Because there has been a variety of reports, I'd ask Peter Wright to come forward again, if he would, and perhaps give us some of the numbers involved. I, like you, have been exposed to a variety of different estimates on what this might represent. What has been referred to now as "the document" contains a number, apparently, of \$400 million. I have not yet read

the document, but I'll take your word for that. I've also heard that prep time might represent across the system something closer to \$1 billion, so I think Mr Wright's observations would be useful here.

Mr Wright: The numbers we're holding right now are numbers we have received from the school boards as a result of a costing framework established by the Working Group on Education Finance Reform. In that context, they had identified in terms of elementary education—these I believe are 1994-95 numbers—about \$304 million in preparation time for elementary school.

Mr Wildman: That's total?

Mr Wright: Yes, that's total. You see, these are annualized numbers. For secondary school there was \$296 million, in round numbers, and an additional \$191 million for what you called on-call time. Those are the broad numbers we're using right now.

Mr Wildman: So in terms of cutting it in half at the secondary level and a 20% cut or whatever, in that neighbourhood, at the elementary level, does that proposal in rough calculations work out to about \$400 million?

Mr Wright: A 20% cut at the elementary level would be about \$60 million, and half of—simplifying the numbers again—would be \$250 million, so it would be around \$300 million, a shade over \$310 million.

Mr Wildman: So you're saying \$300 million perhaps.

Mr Wright: A little over \$310 million, at least based on the numbers that we're holding now. There is likely some additional time for other teachers. This is strictly the classroom teacher here, and there are other teachers in the system who have prep time as well.

Mr Wildman: Since you're involved with the task group looking at administrative costs, trying to delineate what are administrative costs and what are classroom costs, how would you place prep time in that little equation? Is prep time administrative or is it classroom?

Mr Wright: At this point, our group has not come to a conclusion.

Mr Wildman: I can understand why.

Mr Wright: But there are arguments being made on both sides of that case, that it occurs outside the classroom and therefore should be called outside the classroom; and there are others who are arguing the other way around, obviously.

Mr Wildman: So if I do that extracurricular activity in the classroom, it's classroom education?

Mr Wright: I'm not going to wander down that road.

Mr Wildman: It is a little silly to do it on the basis of whether it's just inside the room as opposed to what it actually does.

Mr Wright: Well, the term is "classroom activity."

Mr Wildman: So if I have a chess club in my classroom, that's classroom education?

Mr Wright: No, these are normally referred to as during the school day, during the school time, and the chess club normally occurs outside the school day.

Mr Wildman: What if it happened when some students had a spare period? I'm not trying to be silly here. If you're saying it's outside the classroom, therefore it's not part of classroom education, the corollary is that if it's inside the classroom it is.

Mr Wright: What you're doing is going through some of the debate the Working Group on Education Finance Reform is going through.

Mr Wildman: I can imagine.

The Chair: The deputy would like to add some comments to that to maybe clarify some of your questions.

Mr Wildman: In other words, the government said it was going to protect classroom education without knowing what it is.

Mr Dicerni: That's not quite what I was about to say.

Mr Preston: I believe it was set up by your government.

Mr Wildman: We didn't make the commitment. You did.

Mr Dicerni: I was looking at some material recently put out by the local school board in my community, Peel, and it focused more on school costing versus classroom expenditures. Different jurisdictions measure explicitly what's in the classroom versus what's out of the classroom differently, and I don't believe there's any dogma explicitly associated with this.

I'm given to understand that Mr Sweeney's task force is going to look very much at establishing a typology, which may not be the definitive word on this, but they will make a stab at establishing a typology in terms of what is explicitly within the classroom, what is indirectly related to the classroom and what is focused much more on administrative support. That could be a good start to have some discussion as to what is in and what is out.

Some would argue that almost everything apart from the trustee's salary is related to the classroom. Others have made the point that the number should be only the teacher compensation with their pension. There's a certain value judgement associated with this, and the ministry will make its best attempt to come up with a number that is credible to all sides.

Mr Wildman: The point I'm making, and I appreciate the comments of the deputy and Mr Wright, is that the Conservative Party, the government, has made a commitment not to affect classroom education, when what we are learning from both members of the ministry staff is that at this point neither the ministry staff nor the boards have a definitive way of defining what is classroom education. How can you be held accountable in the way Mr Cordiano was attempting to hold you accountable? You don't know.

Can I ask another question? If you have—

Hon Mr Snobelen: Perhaps you'd like an answer to that first question before you go on to the next one.

Mr Wildman: Well, it was an observation.

Hon Mr Snobelen: It was put in the form of a question. Is it just an observation or would you like an answer to it?

Mr Wildman: It was an observation that you don't know what classroom education is. You're trying to work it out right now.

Hon Mr Snobelen: That I don't know or you don't know?

Mr Wildman: That the ministry doesn't know.

Hon Mr Snobelen: I see. You made another comment, or I thought it was a question, to the effect of, how

would we then hold this minister to account? That is the question I dealt with a little earlier, and I'd like to reiterate some of the things I said at that time. I believe that ultimately the question of—

Mr Wildman: Excuse me, Mr Chair. Just for the sake of time, the minister doesn't need to reiterate. It's on the record and I've heard it and everyone else has heard it.

The Chair: You don't want an answer to that.

Mr Wildman: If it's the same answer and he's reiterating it, there's no need in that it's on the record.

Hon Mr Snobelen: I'm sorry, but apparently there must be, because I know you were here when I made the answer a few moments ago and you've asked the same question again.

Mr Wildman: No. I was asking it in terms of how we determine that the government has met its commitment not to affect classroom education with these cuts. The point we have now is that at this stage at least—hopefully, later it'll be changed—we don't know what classroom education is. There are differences of opinion as to what should be included, and therefore at this stage we cannot hold you accountable.

Hon Mr Snobelen: I have talked about how it is we might be able to better measure the accountability of a government and—

Mr Wildman: And I heard that, but that doesn't respond to that concern.

Hon Mr Snobelen: —of people in education, and I think it's important that we make those initiatives.

Mr Wildman: If we cut, in your terms, approximately \$300 million out of the budget by savings on preparation time, how does that translate into teaching positions?

Mr Wright: First, \$300 million, I believe, was the number you gave me in terms of some presumed cuts.

Mr Wildman: Right, and you were responding to that, but that came out of this ministry summary.

Mr Wright: Of what the school boards had suggested to us. I don't have numbers offhand in terms of the staff impact of those kinds of cuts. It would depend in part how a board went about doing them. You can do some simple arithmetic in terms of taking an average teacher's salary and dividing it into the amounts. My last recollection was the average teacher's salary is in the \$50,000 to \$60,000 range, so we can generate those numbers.

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Mr Wildman: Obviously—at least I expect—we're not eliminating class time so we can cut class sizes and put more teachers into classrooms and have smaller classes. What we're doing is we're eliminating preparation time and maintaining class sizes, so that means laying off teachers.

Mr Wright: No. What will happen, as I understand it, under this model is that the existence of preparation time means that a school board now has to hire teachers to cover the classroom while the classroom teacher is out on preparation time.

Mr Wildman: That's right. So if you have fewer preparation periods, you need fewer teachers.

Mr Wright: That's correct.

Mr Wildman: So you're laying off teachers.

Mr Wright: That is correct. Now, in terms of—

Mr Wildman: What I'm really asking is, does this translate into 10,000 jobs, 12,000 jobs—what—across the province?

Mr Wright: As far as I know, there has been no decision in terms of the reductions.

Mr Cordiano: There must be another report somewhere.

Mr Wildman: You must have some calculations.

The Chair: The deputy wanted to comment. Do you want the deputy or do you want Mr Wright to proceed?

Mr Wildman: If anybody can clarify that, I'd appreciate it.

Mr Dicerni: First, just to be quite precise in terms of "us" laying off teachers—

Mr Wildman: The board laying off teachers.

Mr Dicerni: Thank you. Second—

Mr Wildman: Particularly if they're directed as this document proposes in terms of opening collective agreements on class sizes.

Mr Preston: Surely we're reviewing the fact again.

Mr Wildman: I said "if." I don't think "if" is a fact, but if you want to take it that way.

Mr Dicerni: Second, as the minister mentioned, a number of the suggestions in this document reflect input that has been made to the ministry—and to the public, I would say; these are not confidential inputs that various trustees and school boards have put forth—including looking at matters such as prep time in order to reduce the expenditure without directly reducing the amount of time spent in the classroom by teachers.

Mr Wildman: But it will certainly affect the classroom if it means less preparation.

Mr Dicerni: We have sought inputs from other bodies over and above school board trustees, including various teacher federations, formally and informally, and those have yet to come forth. There is a recognition by a number of people of the need to perhaps reduce expenditures. If the other individuals, institutions, groups wish to come forward with some specific suggestions, obviously one would look at those.

Finally, with regard to your specific question in terms of teachers and being laid off and so forth, a number of measures in that document would have to be analysed before one came down to a specific number, with regard to elementary-secondary, and there are some impacts with regard to some of the other measures. I think it would be quite speculative to identify a specific teacher impact based on just one measure.

Mr Wildman: Can't even get a range?

Hon Mr Snobelen: If I can be of any help here, a variety of different responses might be made to any indication that would have teachers be in the classroom, in direct contact with students, for a longer period of time every day. If that were the case—and here we're being very speculative—a variety of measures could be effected. Some of those would involve reductions in the number of teachers employed in the province, but some would not. It would be a function—again in a very highly speculative way—of what the response was to that initiative.

Mr Wildman: I accept that, but it seems to me that if you're talking, as the minister has, about teachers becoming

and helping teachers to become more productive, if individual teachers are "more productive," you will need, unless you reduce class sizes, fewer teachers. Obviously, that means teacher layoffs. What we're really talking about in terms of saving through reducing prep time is that the saving is in teachers' salaries. That's the saving: It's laying off teachers. That may be something you want to do and it may be something the boards will do in response to what you will suggest to them as a tool for making their savings, so we will have fewer teachers.

To suggest that somehow this will not affect classrooms I think is not to be completely straight. I would think that we're talking here somewhere in the magnitude of between 10,000 and 15,000 teachers' jobs.

Hon Mr Snobelen: If I can respond, I know the member will find this analogy close to home in that I know he's had some experience with a number of layoffs in Hydro. I know you had some personal experience with that.

Mr Wildman: Actually, there were very few layoffs in Hydro; they were mostly early retirements.

Hon Mr Snobelen: Exactly the point. There is a request that's been made by some that we engage and have a look at a retirement package that might be useful to induce some people who are very close to retirement age to leave the system.

Mr Wildman: Quite frankly, I would welcome that.

Hon Mr Snobelen: That's one of the various tools that are available. There are other tools available. There are other ways of meeting this without massive layoffs. However, it's difficult, as the deputy said a moment ago, to speculate on these things, particularly in the absence of teachers or their federations from this process. Again, as I've said on several occasions today, I'd like to reiterate if I can that we invite and welcome participation of the teachers' federations in this deliberation, because these are very important issues.

Mr Wildman: I will come back next to the question of the student nutrition program when it comes around next time.

The Chair: On the Conservative side, is it Mr Preston, or who's going?

Mr Preston: I just have an observation, not really a question. I'll go back to the document. Apparently Mr Wildman only reads particular parts of this document, because he's quite right when he says it will be approximately 10,000 to 15,000 jobs. The document tells you about 13,000 teachers that will meet the window for early retirement, which you felt great about.

Mr Wildman: I don't think that's relevant to the context in which I was raising it. I was raising it in terms of the quality of education in the classroom. If you have fewer teachers, with less prep time, it's going to affect the quality of education in the classroom, and don't pretend it isn't going to, whether they're retired or laid off.

The Chair: Mr Wildman. Okay.

Mr Preston: Is it our turn? Thank you. The information in this document, as has been stated a number of times, is thrown out as a brainstorming session. Mr Wildman has said he hasn't turned it into fact. There's a letter inside this document I guess he didn't get to. He refers to a secret government document and said that we

are going to do this, we are going to do this, we are going to do this. "This is an end to equal public education for all. The Tories are going to cut down on teacher preparation time."

Mr Wildman: And you're not going to?

Mr Preston: We have not said at this point whether we are going to or whether we are not. This document has things that have been sent to us by other groups for study. For Mr Wildman to turn them into fact and then have them published is just leading the public astray again.

Mr Wildman: Well, then you might—

The Chair: Mr Wildman, please. Mr Sheehan.

Mr Sheehan: On page 26 of this document, there is a list of—

The Chair: What document are you referring to? Oh, the estimates briefing book, okay.

Mr Sheehan: Is that a document?

The Chair: There are so many documents flying around here, officially, officially and all that. He's talking about the estimates briefing book. Okay.

Mr Sheehan: Is it a briefing book? All right. There's a whole long list of offices, committees, program units, initiative programs, grant teams, service teams, technology teams, commissions etc. There seems to be, if I'm reading it correctly, on page 27 an awful lot of money devoted to those whatever. Have you analysed, or do you intend to analyse, these as to their objectives and as to whether or not they're achieving their objectives and whether or not the benefit we derive anywhere approximates the cost?

1700

Hon Mr Snobelen: It's not surprising to find that in the education community we would have a large number of agencies, boards and commissions reporting to the ministry and helping the ministry do its job. If you look in areas like special needs education there's obviously a need for involvement from the public.

Consistent with this government's mandate, its clear intentions and the directions that have been given by this government, we have undergone a review of our agencies, boards and commissions through the Management Board process and are actively engaged in that conversation right now. These agencies, boards and commissions need to be reviewed, in my view, on a one-by-one basis to make sure that we are receiving good input from them and make sure that that input makes a difference in the education of children in the province, and we are doing that now.

Mr Sheehan: When I look at the title on some of these they don't seem to be agencies, boards or commissions, they seem to be project teams, information service teams, operating grant teams, initiative project teams, service coordinating units. You have a lot of high-price talent in your ministry, are they not able to do this without developing all these teams?

Hon Mr Snobelen: Those are also high-value teams sometimes. I think the reference is perhaps to the normal operating functions inside of the ministry and perhaps the deputy minister would like to make comment.

Mr Dicerni: You're referring to the various teams that were—

Mr Sheehan: Paid, yes.

Mr Dicerni: To put it into context, the ministry's budget is about \$9 billion. The ministry's operating budget to run is about 1.5% or 1.6% of that total. It works out to about \$150 million. About \$50 million of those millions is dedicated to funding, supporting the provincial schools for the deaf and the blind and so forth.

Mr Sheehan: That's not in that book I was looking at.

Mr Dicerni: I'm just breaking it down in terms of this. What it comes down to, I would say providing advice, guidance, administering school boards is worth about \$50 million of the total number.

Now in terms of the technology team, which I believe is the one you were referring to—

Mr Sheehan: There was a whole whack of them. Just a minute. On page 26 there's a whole list of them and they run into your—

Interjection.

Mr Sheehan: Yes, I understand that, but the details on what they're about run about 20 pages.

Mr Dicerni: Right.

Mr Sheehan: They seem to be listed in summary on page 26.

Mr Dicerni: The typology that you see on page 26 is unique to the Ministry of Education and Training. In most other places they would call these directorates, branches and so forth. "Teams" conveys perhaps a certain pickup and arrangement of a certain number of people to work together for a brief period of time. But what you have there is the straight delivery of programs, services that the ministry does, and staff is here to provide additional information on any specific one that you would like to—

Mr Sheehan: Let's take the school boards restructuring initiatives project team.

Mr Dicerni: That team is composed of about five or six persons. It is the one that is working closely with Mr Sweeney who has very limited overhead in terms of analysing the feedback that we're getting from the public, MPPs and so forth, doing some of the staff work for Mr Sweeney and his task force in terms of which school boards should be optimally merged with others and so forth.

Mr Sheehan: Are they all like that?

Mr Dicerni: Some have more than others. Capital and operating grants team is about 50 people. Those are the individuals who do all the GLGs, allocation formulas for all the school boards across the province. They also do the numbers for all the community colleges as well as the universities, in terms of figuring out, out of that \$9 billion, who gets how much based on enrolment and those types so—

Mr Sheehan: Thank you. I'm going to ask a few more, if I may.

I'm going to read from a letter from a friend of mine who is a lawyer and who is a school trustee and negotiator. He has some observations and I would like it if you could give me some direction where you're headed.

He says, "Currently the Education Act deals with teacher's illness absences by entitling each teacher in Ontario up to 20 days per year sick leave with pay." That has migrated through to the piece where now they have

retirement gratuities, I believe they call it. In the local board, in 1994 they "laid off approximately 10 educational assistants, \$15,000 per annum, to save \$160,000 while paying out approximately \$180,000 in retirement gratuities and incentives to four retiring teachers. Several arbitrators have held the accumulated sick leave/gratuity mechanism is outdated and should be replaced with straight weekly indemnity insurance. However, the teachers' unions are adamant in resisting reforms in this area."

"The Education Act should be amended to delete the 20-day sick leave provision and replace it with standard weekly indemnity provision."

Are you contemplating such changes in the Education Act?

Hon Mr Snobelen: We've been asked by the boards to have a look at doing what's legislatively known as grandfathering the rights or the privileges of retirement gratuity which would have the effect of freezing, if you will, retirement gratuities at levels that have been earned to date by teachers.

I'm told that off balance sheet the boards across the province have a commitment, a liability, in terms of sick leave gratuity that is estimated at \$1 billion. It's an extraordinary amount of money that is off balance sheet, as I say; it doesn't show up. So it does incur a cost to boards when they have people leave, obviously.

There are suggestions by many in the community that this was a package that was put together at a different time when compensation levels were different. We are considering what might be an appropriate response to that request from the boards. It's part of the considerations we're doing now.

Mr Sheehan: I can tell you the Niagara Falls board, the Niagara south board cost last year was \$5.4 million in that area alone. It is no longer performing according to the original design.

Hon Mr Snobelen: In the matter of the amount of sick leave time that's allowed, it's 20 days per year that's been quoted. It's interesting to remember that we're talking about a 185-day year in most cases; many people have pointed out this is an extraordinary amount of time versus other similar organizations. It's interesting to note that nowhere near that level is actually taken by teachers on average in the system. The average uptake would probably range from five to eight days. That would be a fairly normal range from board to board; it varies. So it's interesting to note that these 20 days, although it has an obvious impact on sick leave gratuities, are not taken up by the average teacher in the system.

Mr Sheehan: Notwithstanding that, five point something days on average is probably above average in a commercial sense. It's an entitlement that they seem to speak of and it's in your legislation, so I would suggest perhaps we should be looking at changing the legislation.

Hon Mr Snobelen: Yes, it's been one of the requests—

Mr Sheehan: Please. The next one we're talking about here is the salary grid system. It runs from 10 to 12 years. I guess the long and the short of it is there can be a substantial difference between the high and the low, but after three to four years you have teachers who are

effectively being paid substantially less money to do the same work. Once again, my friend suggested this is involved in Bill 100. Are you contemplating changing and compressing that grid?

Hon Mr Snobelen: We haven't been asked to. It hasn't been a suggestion made to us by boards. The grid represents a negotiated curve in income board by board. The suggestion is well taken. If you look at the uptake, though, of young people who are trying to enter the profession, although the first level of the grid can represent half of what a mature teacher might be paid, it's interesting to note that there remains a considerable demand to get into the teaching profession, that again the uptake—although there are different estimates on how much the uptake might be, anywhere from 20 to 25% of people who are eligible to become teachers actually land a job currently. But there's obviously a huge number of people who want to enter the profession, and they're conscious of the fact that there is a grid system in place, so that might argue for the effectiveness. Again, it's a thing that's negotiated on a board-by-board basis.

1710

Mr Sheehan: Could I suggest, since the bulk of the education costs wound up in the personnel end of it, that a compression of the grid would have a long-term consequence which might bring teachers' salaries back down under the stratosphere?

Mr Wildman: You don't want to bring them down but up.

Mr Sheehan: It's been compressed up for long enough.

Hon Mr Snobelen: Although the compensation for teachers is a package that you have to examine on a board-by-board basis, there are commonalities among boards in Ontario. If you look at the compensation packages that have been designed and you look at the total packages, you'll find that the teachers in Ontario are compensated at rates that are certainly generous vis-à-vis other provinces in Canada. If you look at global standards, they're harder to measure, but they are generous by those accounts.

I believe, though, that the suggestions we've had made so far by the boards and others are looking at ways of taking teachers who are very professional and who earn high rates of compensation and making sure that their time is used to the best avail, and that is with children, with young people in the classroom. That has generally been the request we've had from boards. We have not entertained a request to do what other provinces have done, and that is to roll back wages unilaterally. That hasn't been a request that has been made of us so far.

Mr Sheehan: I would like to suggest that perhaps that grid system's been around so long there's nobody in this room can remember when it went in place, except myself and I wasn't conscious of it at the time. I have to suggest that since we are looking at trying to change this and deliver more value and more resources into the classroom, we should be actively pursuing this, particularly since we control the issue, ie, the bill. Perhaps a compressed grid system, and then that does not preclude boards from recognizing merit and paying exceptional teachers above and beyond the grid if that is warranted.

But just to pay everybody on the chance you might miss somebody seems a little bit of a bizarre way of running a business.

The next thing I'd like to ask you about is the Bill 100 requirement that boards lock out to enforce their positions. The letter says:

"Boards are very reluctant to do this because they get extreme pressure from parents, and if they lock out they lose provincial grants (therefore why do it?). No board in the Niagara region has ever locked out its teachers and this is true of the vast majority of boards in Ontario despite the fact that teachers' salaries doubled between 1980 and 1990" during two recessions.

"Teachers will work to rule, collect full pay, but do no extracurricular activities. This leads to parent pressure on the trustees and no pressure on the teachers because they get full pay. Since boards are not prepared to lock out, capitulation is the only alternative. Bill 100 should be modified to require boards to lock out in the event of a work-to-rule."

He goes on to say that, in his professional opinion, "this will have an immediate and dramatic effect on the board's ability to control its teacher costs...and will eliminate work-to-rules overnight in all but two or three boards that have poor relationships with their teachers." Is that a possibility or has it entered your thought processes?

Hon Mr Snobelen: We are now, of course, working on a toolkit in response to suggestions that have been made throughout the education community, and that toolkit has to do with reducing the cost of other classroom expenses in the system. There have been individuals who have suggested, not in connection with this exercise, what the writer of that letter has suggested, which is that Bill 100 needs to be reformed. I have not taken a position on that. I am interested in what people observe. I am, though, very conscious of what parents have to say whenever a job action happens in the education sector.

The author of the letter obviously refers to what might happen to teachers or bargaining units in these situations, or boards or the ministry. But most important, I think, is that the young people, students lose out in these actions, and I think what we need to do is to avoid lockouts or work-to-rules or strikes. We need to do what we can to avoid those circumstances because everyone's a loser.

I think teachers are also hurt in work-to-rule situations. I know a variety of teachers who have been through the exercise. They find it enormously frustrating. Nothing is more frustrating to someone who is involved, for instance, in physical education than to not be allowed to coach a team, not be allowed to pursue those activities which they find very rewarding and very important to young people.

I think work-to-rules or lockouts or strikes don't work for anyone, don't achieve the objectives of anyone in the system, and we'll do what we can do as a government, and I'm sure other people involved in education will do what they can, to avoid those sorts of circumstances that hurt people.

Mr Sheehan: We're going through it right now in the peninsula, because they're coming up to the finals on their basketball list and their other competitions and

they're all going into their theatrical competitions and they're now working to rule, and I'm sure the teachers are frustrated. They've worked hard to get their students and their teams to high form and a really good competitive edge.

But this situation we have is a confrontational, negotiated deal, and I would suggest to you that the school boards have one hand behind their back, rather securely tied, and that, notwithstanding the emotional trauma the teachers are experiencing because of their inability to go through all this stuff, none the less they're getting paid and we are in a bad position because we haven't given the management the tools they need to deal with the situation. Can you comment on that a bit?

Hon Mr Snobelen: I think ultimately you're correct. The young people are the losers in the structure, although I'm not so sure that everyone's not a loser in the final analysis. It seems to me that we have a system now that from time to time—although there's usually some harmony in the system in terms of the number of work interruptions in the education sector. There have not been a number of them. They're fairly limited, considering the number of negotiations that happen around the province.

However, that said, when there is a lockout, when there is a work-to-rule, when there is a strike, it's enormously disruptive. One of my first acts as a minister was to meet with a parents' group that was facing those sorts of circumstances who had been through a work-to-rule, who were facing a strike possibility, and their request was simple: They wanted their children educated. They're taxpayers, and they thought we should find a system or find a way of being able to have all of the normal, sometimes very confrontational discussions between employee groups and employers and all of that normal friction that should be there—is there in most systems—in a manner that doesn't harm children, and I for one am willing to pursue any suggestions in that regard.

It's very critical that we do what we can to protect young people, and I want to say this one more time because I think it is important: The classroom teachers I've talked to who have been through work-to-rules, who have been through strikes, are as frustrated as the parents, in my view. The system currently allows for situations that don't seem to work for anyone.

Mr Sheehan: I'll offer you one more observation. Since we are under the financial constraints that we're experiencing now, the option that has been available to schools in the past, namely, to accede to the demands because they were unable to negotiate on equal turf, has been, "Raise the taxes, to hell with the taxpayers, and stick it." Now that we've said to them we're out of money, we have a serious problem in debt, are you thinking about giving them some weapons, either that or changing the legislation so they can't be beaten over the head continuously?

Hon Mr Snobelen: I would consider any suggestions that might help improve labour relations in this sector, but I think there is a growing awareness in this province of the fact that the taxpayer, at all levels, for all services, is done, that we have reached the tax ceiling, that people are contributing as much as they can, that people who work hard and pay their taxes and try to raise their

families in this province are contributing as much in tax dollars as they possibly can. They're frustrated with the level of taxation; in fact, it needs to come down.

I believe there is an awareness of this at all government levels, provincially, locally, schools boards and others, but I believe there is also a growing awareness of that in people who do public service work, that we have to find ways to be more effective and more efficient and that we have to be conscious of the fact that the taxpayer cannot tolerate endless skyrocketing cost increases that exceed the rate of inflation by multiples. I believe that awareness of the sector will lead to a process that'll have us get the kind of more affordable, more accountable system we're all looking for without the use of job actions that hurt kids.

1720

Mr Sheehan: One last question: In the peninsula, and I don't know what's happening in other areas, there was just an enormous competition. We've talked, and Mr Patten talked earlier, about the adult education level. They run enormously expensive ads. They are marketing themselves in a very professional way, and I have to suggest that they're probably getting professional advice on how they market their expertise. The public boards in the peninsula are throwing money and technology, and I think the only thing the separate schools have to offer is cheap transportation or some blamed thing.

I have had, and this is a personal complaint issue to me, last Thursday, where a woman wanted to take adult education on the computer and was badgered to register for three courses. The only thing that kept her out of it is her husband was a little better informed than most and just kept steeling her to say no. But there was the pressure she had to take three courses, which might have something to do with getting up to that \$5,500 grant level, and all she wanted to take was a computer course. Are you doing anything to discourage this kind of activity or discourage this type of unhealthy competition, because they're making fools of the taxpayer?

Hon Mr Snobelen: I'm normally a person who encourages competition in all aspects of life.

Mr Sheehan: I love competition but this is really boneheaded.

Hon Mr Snobelen: In almost all aspects of life. I think the changes in the grants available for adult education will have boards looking for more affordable ways to present those services and I believe will probably do much to end the circumstances you describe.

Mr Sheehan: But they are trying to subvert what you're trying to do by forcing these people to register on three courses, which I understand will elevate this person to a full-time student, when all the lady wants to do is take a computer course.

Hon Mr Snobelen: Yes. I believe—

Mr Sheehan: It's costing five grand.

Hon Mr Snobelen: I believe our funding mechanisms now will be more—

Mr Sheehan: You're addressing that kind of thing?

Hon Mr Snobelen: Yes, I think the announcements made by the Finance minister will have a lot to do with addressing those issues.

The Chair: Perhaps you want to move on.

Mr Patten: I'll take half the time and share it with my colleague Mr Cleary.

Minister, you mentioned that if there were ways in which we could find some alternative or a variety of ways—I can appreciate your view of the ministry receiving suggestions and gathering them and putting a variety of suggestions together. That's normal procedure and probably good management. You have said, "All those things are on the table, and it remains to be seen which ones fall off the table and which ones continue."

But here's a perspective: I will prophesy that the \$400 million for this year, which will probably be more for the following year, will be over a billion dollars in the final analysis. In attempting to scrutinize, as I should, the representations made to me as to why this would not be good, and I believe there are some savings in the system to be made, at least some efficiencies, and given the priority of education, especially with—it is probably universal that the polls will tell you, and individuals and parents, and while we have in the area in which I live in Ottawa-Carleton tremendous concerns about hospital restructuring, the highest single areas of representation I have had have been related to educational issues, junior kindergarten, probably within that whole frame.

I don't believe it's necessary to cut to the extent that you're cutting. I have a suggestion for you and I'd ask that you consider this and your colleagues consider it, and it's this. It has to do with the proportion of the tax break, and I know your Premier has said—I guess he's my Premier, too, eh?

Hon Mr Snobelen: I know he feels that way.

Mr Patten: The Premier has said that this is a fixed and firm commitment, although I gather there was some flexibility on how it might more progressively be applied. But if it is applied on the basis on which the Common Sense Revolution pamphlet described it, it would mean that \$2 billion will go to the 13% of the labour market that earns over \$85,000 a year. So there's \$2 billion. Maybe that's too much. So you say, "What if we thought of, rather than a \$5-billion price tag"—and I think the people of Ontario would forgive the Premier if he changed this—"we have \$1 billion," which would probably affect, I don't know, 3% to 5%, maybe less, of income earners in this province and that would probably be in the salary range of \$250,000 to \$300,000 at least, because it doesn't take too many people to start adding up the kinds of receipts of X amount of dollars.

I figure that we would be saying that we will give a tax break to somewhere between maybe 95% to 97% of the people, but the last 3%, they could probably manage without it, and seeing that the original stated objective was that this was going to stimulate the economy, we know that it's the lower end that would spend money very quickly and that would have a stimulus.

People in those brackets, what might they use it for? A trip somewhere else, spending it in Florida or the Bahamas or foreign investment or whatever. I offer that as a possibility, whether you might consider taking that to cabinet and asking your colleagues if that were a possibility.

Hon Mr Snobelen: Let me say that I believe there is certainly a need to reduce costs to reduce government

spending and that education is part of that, but as I said a little earlier, I believe this is a system that requires continuous improvement. I would not recommend to this government or to any government that we reduce spending in education that results in a lower quality of education. I think that would not be a useful exercise. I think it would be inconsistent with the intentions of the people of Ontario, and I'm not surprised to find the polls would indicate what I think most of us would know by knowing our neighbours, and that is that the people of Ontario are not willing to tolerate a lower quality of education for a reduced cost, and they would most certainly forgo—they would in fact pay more taxes if it was absolutely necessary to maintain the quality of education. It is not.

By any of the measures and benchmarks that we can see, we can reduce the out-of-classroom expenditures in our system and effect reductions and take responsibility as an education community and as educators for doing our part to reduce the provincial deficit and maintain the quality of education. I think that's something educators believe they should do, that they believe they are responsible for the futures of young people who are in our charge.

That is not connected to the tax reduction in some form of promise. The tax reduction is a necessary tool for economic renewal in this province. I believe that the bulk of any tax reduction is going to go to the people who pay the bulk of taxes, and the bulk of taxes in this province are paid, not surprisingly, by the middle class, by the people who work hard, pay their taxes, raise their families. They are the people to whom the vast majority of any tax reduction will go, because they're taxpayers.

I believe that if we were to maintain the extraordinarily high levels of taxation across the tax spectrum that we have, we will continue to have tax revenue leakage from two sources: one, an expanding grey market, and surely our provincial taxes are part of that expanding grey market, and two, the exodus of capital from Ontario, and often the exodus of people with capital from Ontario.

That's unfortunate in both cases, and we need to retain the capital from an investment point of view, but also the people: the people who've made those investments, the people who are part of the growing industries. I think we need to retain them. So I believe the reduction of taxes that we have suggested in the Common Sense Revolution and that we're committed to is part of an economic strategy and part of a very sound economic strategy.

1730

Mr Patten: I guess we disagree. There is a way in which you, without the tax break, tax rebate, can take the resources that you're identifying in terms of efficiencies and roll them back into the system, on the basis on which you suggest, and that is to increase the quality of education because of the priority, an increasing priority, of maintaining the nature of our economy as we face the future.

I'll leave that for the moment. I have numerous questions, but I would like to ask you this: Have there yet been discussions with the Toronto, Metro and Ottawa school boards re their participation in the requests of sharing in finding those kinds of cuts that you're looking for?

Hon Mr Snobelen: I'll allow the deputy minister a comment here, but in addition to the so-called negative grant boards, the Finance minister made a commitment in his statement of November 29 which we intend to be held to account for, and that is that our reductions in spending would be equitable. Part of that has been of course an approach to all of the school boards in the province, including so-called negative grant boards.

Mr Dicerni: In terms of Toronto and Ottawa, there have been a number of discussions with the Metro school boards regarding their, I would say, participation in this expenditure reduction effort. With the Ottawa board there have not been as many, I would say, discussions, for a couple of reasons. One is that they recently went through a change of senior personnel. Their director of education advised us as we were discussing these matters with him in December that he would be leaving and it would be more fruitful to engage in discussions with his successor, who came on board in early January. I met, as a matter of fact, with her just last week to pursue discussions. I intend to do so also later this week.

Mr Patten: Good. I'm glad you began that process, because they have to plan as well.

There was a point made—I forget. One of the members from the government side was comparing one school board with another. My friends from Toronto will probably want to frame this, in that I'm going to be saying something nice about the Toronto-Metro community in terms of education.

One reason for that is of course any inner-city board or downtown board or mainly urban board in Ontario is facing similar costs, and likewise, in making comparisons with other provinces or other nations, you're often comparing apples with oranges and not necessarily comparing the same thing.

It seems to me that there needs to be an appreciation, in some of the inner boards, that the racial, ethnic and linguistic diversity of the students adds responsibility in helping those youngsters to be able to continue with the curriculum, to grow and learn as quickly as possible, which means extra skilled staff to help with linguistic training as quickly as possible etc. Of course the commitment and the number of individuals with special needs tends to move towards the oldest boards that have had a chance to reflect these. These are the boards probably with the oldest facilities, which gives them increased retrofitting costs, replacement costs etc.

I just want to point out that while I agree that there should be some equity across the board, and once that's established then there may be and I believe that there are justifications for considerations to provide equality and to provide equal education with some unequal granting because of various differentials that are justifiable. I just wanted to make that point. Minister, you might want to respond to that.

Hon Mr Snobelen: The point is well taken. There are variables across Ontario that would have one board be slightly different in costs than others. English-as-a-second-language programs are one of those, and they affect the entire GTA probably more than they do other areas of the province, including—I'd be remiss if I didn't point out—Peel and Dufferin-Peel. However, there are

other costs that mitigate. One of the things that the education finance reform working group is looking at and one of the reasons why I believe their report is so important is they will quantify those different costs from different boards and be able to address this very scientifically.

I should also point out that I believe there is one taxpayer, and I believe that federally and provincially and municipally and according to boards. That said, I think that it is time, when we have communities that absorb the cost impact of immigration to this country—immigration is good for this country; it's shared across the country, it's shared across the province, but the costs are not so evenly distributed. It's something I have talked to my local federal member about, with perhaps the federal government recognizing the very particular needs, financially, of communities here in the GTA that absorb a tremendous amount of the costs of those initial immigration patterns, and perhaps some federal help is necessary to have that be more equitable.

Mr Patten: Thank you. One last question, and then I'll pass it over to Mr Cleary. In recalling the way in which the interpretation of requested cutbacks from municipalities took place, municipalities didn't say very much at the time. They said a little bit more later on when they found out that the cut that they thought might be 9% or 18% was all of a sudden much higher because it was applied in a different manner and not an across-the-board percentage. I think you know what I mean. Certain counties or municipalities had relied more heavily on grants from the province. To try and provide some equitable percentages, the ones that provided less had to make a greater contribution.

My question to you is, in the request for finding \$400 million, will that be a percentage or will it be based upon the percentage of funding? Will it take into consideration the percentage of funding that comes from the province in supporting the school board?

Hon Mr Snobelen: The reductions in grant will happen in a way—and I should say, in a matter this complex, it's likely that there will have to be some redress available because I don't know that we'll be perfect in the approach. But our intention in the matter is to make sure that we do this equitably, and by that we mean not disturbing the current relationship of the boards and provincial funding. You'll appreciate that's not a simple task.

I think the people who have served this province from all three parties in the past have attempted to do this as equitably as possible, and I think we've ended up with a system where there's questionable equity in some cases. So it's not a function of will but really it's a difficult process.

We intend to do that, but affordability, this exercise in reducing the costs of education outside of the classroom that we are now proceeding through, is not the final exercise in this ministry regarding equity. We think that the Working Group on Education Finance Reform report will be another opportunity, as is the Golden report and hopefully the Sweeney report. We believe that there are many other measures coming, but we hope not to make the system worse by this process.

1740

Mr John C. Cleary (Cornwall): I would like to mention a few things to the minister. Maybe you remember

last fall you had an interview with the university students from York University. The one young lady who interviewed you was majoring in environmental science, I believe. She happens to come from our part of eastern Ontario. Her name is Kim Fry, whom I've known for some time now. She published in *Lexicon*—I think that's the name of their paper—some remarks from your interview. I was just wondering if you'd had an opportunity to read the article resulting from the interview, because I want to quote a few things from it.

Hon Mr Snobelen: No, I haven't.

Mr Cleary: But you probably remember the interview.

Hon Mr Snobelen: To be honest with you, vaguely, but I'm sure this will tickle the memories.

Mr Cleary: Anyway, you told Kim—and my apologies if I misquote—that there isn't such a thing as free anything, including free education. I wouldn't even ask if that was the beginning of your idea to charge everything, both in and outside the classrooms, but in that interview, you went on to say something about post-secondary education being elitist in terms of prior learning and maybe even economic terms. Again, my apologies if I'm not quoting you exactly.

Then you went on to say that OSAP didn't seem "very user-friendly to me." So you admitted university is expensive, it's definitely not accessible to everyone and there's not a lot of public help for students. In my riding, few students may rely on their parents for the funding for post-secondary education.

May I ask what you say, as Education minister, to graduating high school students who have the capacity and desire to attend university but just can't afford it? I can go on a little bit further.

You made two other comments about university that caught my attention. You said people should remember that university is never out of sight and you said it looks as if people will be picking up their accreditation in smaller, more bite-sized, more affordable chunks in the course of a lifetime, instead of this sort of rite-of-passage method.

I hope you don't consider me to be too personal, but I'm trying to get a sense of your perception and values. Are you currently enrolled in any secondary or post-secondary courses or do you see yourself ever jumping into the classroom as a student?

Hon Mr Snobelen: Let me go through all of what you've said. I'll answer the last question first and try to work my way back, and you can test my memory.

No, I am not currently enrolled in a course of formal study at a university in Ontario or otherwise. Yes, I have always assumed that I would be at some point, and I am looking forward to that time.

The comments about the change in accreditation methods: There has been much speculation by people in the university community about how accreditations might be provided in the future in a way that's more user-friendly. There's been a variety of studies in this regard and a variety of conversations at universities about this, as universities struggle with how they will provide accreditations in the future, particularly in fields where the available knowledge in some fields is accelerating at a pace that outstrips the ability to teach it.

There are real questions about what accreditation models will be used, particularly in those fast-moving fields. It's an ongoing deliberation that's happening inside the university community; it's part of why universities are dynamic and ever-changing, and should be, and I think what emerges from that time will be very interesting and very useful for people.

I think we will see there are very few people who doubt that we will see the current generation involved with their university perhaps on a lifetime basis, or if not, at least on several occasions over the course of their lives. That seems to be a prediction that most people who have studied the field are making and it's one for which there is some evidence. I do believe that most of the people who attend university currently, and most of the students who I've talked to at universities, undergrads and graduate students, expect that there will be some economic success in their lives—however important or not important that might be—as a result of their participation in post-secondary education.

They expect to become part of the taxpaying base of Ontario and so they recognize that they will be paying for their education one way or another, be it through student loans or an income contingent loans package, or through the tax system ongoingly, as earners and taxpayers in the province.

Many students are concerned about the amount of debt that they currently have, not just from their loans, but the debt of \$100 billion, of course, that in the province they will inherit, and that debt obviously grows every day and they feel helpless in the face of that mountain of debt in front of them. I believe it's important for us to acknowledge the fact that we will be preparing to hand that debt over to another generation if we don't tackle it ourselves.

Universities are, of course, élitist. They are designed to be élitist. Our job in the discussion paper with universities is to talk about how we can make sure that élitism is predicated on ability and desire and not financial circumstance. That's why I believe it is time to look at OSAP, to make improvements, and that's why I'm committed to an income contingent loans package that will be more useful for students. It's necessary for the future of the province that people have an opportunity to participate in post-secondary if they have the ability and if that's a desire of theirs.

Mr Cleary: There's one thing in our part of eastern Ontario: We've been hit pretty hard since 1989 with plant closures, and earlier you mentioned tradesmen. We've had a number of tradesmen, as I would call them, in those plants, but anyway the plant closed. They lost their jobs. They did their jobs well, and being that they were not grandfathered in their trade, like their grandfathering clause, they found themselves other jobs in other locations. The company is 100% satisfied with them but they have to write tests that they can't pass. I was wondering if you would be looking at that, being you were mentioning trades.

Hon Mr Snobelen: We are looking at the overall training programs and training deliveries including the apprenticeship programs and other trade recognitions in the province. Joan Andrew might be very useful in this

conversation and perhaps she has an observation that would be useful here.

I want to point out, though, before Joan has an opportunity to describe the review process and what we're looking at, that I have had personal experience with people who have faced that sort of dilemma and I have a great deal of empathy for those people who are trapped in that cycle. I of course know a great number of tradesmen who are, I believe, excellent, add a lot of value to the province, are important to us, and yet who, for a variety of reasons that don't seem very important to me, are not allowed the accreditation they deserve. I have a great deal of empathy for that.

Mr Cleary: All parties have got to work to help them because they'll use up their savings and then they'll be a burden.

Hon Mr Snobelen: Yes.

Ms Andrew: I think the question referred to the academic exam that's part of the apprenticeship program, because there are both practical and academic exams. OTAB has been doing some work over the last couple of years about different ways of taking an exam so that if people aren't used to printed exams or aren't used to exams within a certain time frame they can try different options.

I think the long-term solution about this will come as a part of a bigger reform exercise of the Trades Qualification and Apprenticeship Act because right now the act, as written, requires the exams for the people to get their papers. There's not a short-term solution to the issue of not taking academic exams for apprenticeship qualification, but there will be as we move forward to reform the apprenticeship system overall.

1750

Mr Cleary: You had mentioned all this, but these people are 50 to 55 years old, they only have 10 years left, and the managers of those companies are after me. They think that something can be done because it had been done in the early 1980s when your former Tory government brought in the grandfathering clause.

Hon Mr Snobelen: I'm very empathetic to that plight and I think they'll find all of us empathetic to that and willing to work to whatever we need to do to have the accreditation work for those people. I have also heard from a variety of people who believe that the apprenticeship programs we have don't fully take into account their prior learning, don't take into account perhaps the skills they have and also don't use their time as well as we might expect. In fact, they find some of the apprenticeship programs and the mandatory education parts of them to be not useful to them on the job, so that's something we need to keep in mind and have a look at. We don't want to waste people's time either.

Mr Cleary: I would hope you would continue to review that and come up with some type of solution, because I think it's very important where I live. They're good people and they can do their jobs just as well as university graduates. The company has agreed to hire them, and not many companies want to hire anybody when they're 50 or 55.

Minister, in the Bill 26 hearings I ran into a lot of problems in our area with the secondary school teachers'

federation—it's district 21—who had tried everything humanly possible to make their presentation. They had travelled to Ottawa, they had travelled to Kingston, they had written their letters, they had faxed, they had telephoned, and this particular incident was led by John McEwen. As minister, how do you feel about those teachers and organizations being shut out of the hearings altogether?

Hon Mr Snobelen: I will have to have this be a third-party experience since I did not participate in the deliberations on Bill 26, but my understanding is that there were representations by teachers and other professionals across the province to those committees and that their position was taken into account. As I'm sure you're aware, the position of teachers regarding Bill 26 had mostly to do with interest arbitration, which is a situation that doesn't occur on a forced basis except by order of the Legislature, in any event.

I've said this before, and I am very disturbed that we have not been able to have a more fulsome conversation between the teachers' federations and this government to address the very serious needs. I have made myself available for those meetings in the past; I will in the future. I think it's time now that we had a chance for those federations and this government to get together.

I understand the frustration of a school teacher, an in-class teacher who is paying taxes to this government and paying dues to a federation and who is not being represented properly, or at least properly in their view. I understand the frustration of those people, so I will do everything I can to encourage communication between the federations and this government.

Mr Cleary: One other thing that you had mentioned today in your remarks was about the 10 years of mismanagement—you referred to that a number of times—that got us into this problem that we have now. I just want to tell you that I find that very difficult to take, because my dad was a school board member for 26 years and there were lots of problems, and neither of the opposition parties happened to be in power at that time.

Hon Mr Snobelen: I stand to be corrected and to look at the transcript, but I don't know that I—I agreed with your colleagues and my colleagues that rhetoric doesn't usually get us to anyplace we need to go. I don't normally participate in that, and if I have today, I certainly don't want to indicate that the people who have served this province under any of the three parties have done so with ill will.

Mr Cleary: No, I think you're going to accomplish a lot more if everyone works together.

The other thing I wanted to mention here: How is workfare going to affect your ministry?

Hon Mr Snobelen: We have had preliminary conversations with my colleague in Community and Social Services, because there is certainly a correlation between the training programs offered in the province and the educational opportunities offered in the province.

There is a level of cooperation that's necessary between these two ministries, obviously, in order to make the opportunities available for people on social assistance. That level of cooperation has always been important between Community and Social Services and Education, and I hope that our efforts over the next few months will enhance that relationship and not harm it. That's the indication at this stage.

There will be, obviously, what's been called trainfare, as a component of workfare. It's really an effort to make sure that the people who are on social assistance have an opportunity to get off it, because I believe, and I'm sure you agree, that the people who are in that system want to be out of it; they want to be contributors and not takers from the system, particularly those people who are single employables.

Mr Wildman: What's the train fare between here and Cornwall?

The Chair: What's the fare? We'll wrap up today. There are approximately four and a half hours left of estimates time for the ministry. That'll exceed the lunchtime. Perhaps I could get some agreement, just in general, that we could finish off estimates for this ministry by 12 o'clock, which will cut our time less than the four and a half hours, so Comsoc will start immediately at 1:30. If not, Community and Social Services will have to start a little bit later.

Mr Wildman: How many hours do we have left?

The Chair: We have about four and a half hours—four hours and 29 minutes. From 9 o'clock till 12 tomorrow is about three hours. If we don't have agreement, that's fine; I just generally throw that out.

Mr Wildman: I would just say at the outset I don't have any particular disagreement with it, but from my standpoint I haven't dealt with colleges and universities. I was anticipating that I might do that tomorrow. If I'd known we were going to cut it back, I might have—

The Chair: Let me put it this way to you: Give it a thought and tomorrow we can talk about it. I'm not at all telling you to do that; I'm just saying that's what we have.

Mr Wildman: I understand.

The Chair: Thank you. We stand recessed until 9 o'clock tomorrow.

The committee adjourned at 1758.

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**In attendance / présents*

Substitutions present / Membres remplaçants présents:

Wildman, Bud (Algoma ND) for Mr Bisson

Preston, Peter (Brant-Haldimand PC) for Mr Jim Brown

Patten, Richard (Ottawa Centre L) for Mr Michael A. Brown

Gilchrist, Steve (Scarborough East / -Est) for Mr Wettlaufer

Also taking part / Autres participants et participantes:

Castrilli, Annamarie (Downsview L)

Clerk pro tem / Greffier par intérim: Decker, Todd

Staff / Personnel: Poelking, Steve, research officer, Legislative Research Service

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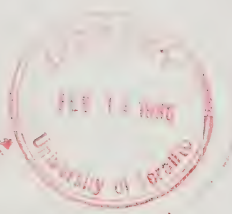
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Official Report of Debates (Hansard)

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Mardi 6 février 1996



**Standing committee on
estimates**

**Comité permanent des
budgets des dépenses**

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and Training

Ministère de l'Éducation
et de la Formation

Ministry of Community
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Tuesday 6 February 1996

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mardi 6 février 1996

The committee met at 0905 in committee room 2.

MINISTRY OF EDUCATION AND TRAINING

The Chair (Mr Alvin Curling): We resume the estimates of the Ministry of Education and Training. We left off yesterday where the Liberals had concluded their 30 minutes. Now we're at the NDP and Mr Wildman.

Mr Bud Wildman (Algoma): I would like to proceed very briefly with regard to the issues relating to class size and preparation time. The issues we were discussing before raise a number of concerns. I don't know whether the minister recalls a letter to him from the Ontario Public School Boards' Association, Ms Cansfield, dated January 9, the same date as the infamous document, which I'll be referring to in a moment.

Before I go to that, I'd like to deal specifically with a letter addressed to Mr Mike Benson, executive director of the Ontario Public School Boards' Association, dated December 15, 1995, from B.H. Stewart, QC, of Hicks Morley Hamilton Stewart Storie, barristers and solicitors. The subject of the letter is increasing teacher productivity. It's quite a long, lengthy legal opinion and I won't go through the whole thing, but on page 3 of this letter, Mr Stewart says:

"While there appears to be ample scope for the government prescribing the changes required with respect to preparation time, there is no power to interfere with the staffing provisions of collective agreements without the passage of legislation, unless it is done indirectly through grant regulations. In other words, it is possible to reduce preparation time during the instructional program by regulation, but to achieve savings it will be necessary to reduce the number of teachers a board is required to employ.

"Moreover, if the regulatory power is utilized, it can be expected there will be a legal challenge initiated by the affiliates or the Ontario Teachers' Federation.

"This is not the sort of change that is going to sneak by in a regulation. Indeed, the better course would appear to be to present the matter openly in the Legislature and to justify changes there."

He goes on to talk about the length of the teacher day, the length of the teacher year, but specifically, he also deals with the need to deal with collective agreements, as preparation time until now, as he points out, has been dealt with through free collective bargaining. While he does admit, as I indicated in my quote, that that could be changed through a regulatory approach, it doesn't save any money because you still have the same number of teachers; the board just has to figure out what to do with them.

In order to save money, since we are now involved in a taxpayer-centred education system, rather than a student-centred education system, as Mr Stewart says, legislation is probably the best and most honest and open route. He talks specifically about the various sections and pieces of legislation and regulation that would have to be changed, in Bill 100 and so on, that would make it possible for the government to require boards essentially to lay off teachers and to change any provisions in collective agreements that have been negotiated by teachers' federations and boards up to now to protect teachers from such layoffs. I'm wondering if the minister could tell us when and if he intends to move forward on the legislative route.

Hon John Snobelen (Minister of Education and Training): First, as the honourable members knows, I've been involved in the service of government for a very short period of time, but in that time I've found it interesting to note the scope and variety of profound opinions that come from eminent persons learned in the law, and I continue to be amazed at the scope and variety of such opinions.

As we have said previously, and I'd like to restate, there have been submissions made to the ministry with regard to a variety of methods of reducing the cost, particularly the out-of-classroom cost, of education across the province, and we are considering all of those options and all of those things that have been suggested to us, including the number of hours per day that teachers spend in the classroom in contact with young people.

I am troubled by one of the member's statements, and I'd like a little clarification. Are you suggesting, sir, that taxpayers shouldn't be an element of or a consideration in any way in the publicly funded system, that they should have no voice, no say, no consideration? Is that your suggestion?

Mr Wildman: Mr Chair, I was under the impression that we asked the questions and the minister answered, but I'm quite happy to answer a question.

Hon Mr Snobelen: Please.

Mr Wildman: As I said in my opening remarks, obviously taxpayers are a central part of the education system, as they pay for it—

Hon Mr Snobelen: Thank you. That clarifies the point.

Mr Wildman: —but we should be striving for a student-centred education system. The taxpayers would be a central part in paying for such a system, and up until now, under John Robarts, Bill Davis, Tom Wells, among others, we have striven for a student-centred education system, and it is now that we are moving from that

central question to a taxpayer-centred education system in which I guess the students are clients.

Hon Mr Snobelen: Just for the record, I wouldn't concur with that observation.

Mr Wildman: Everything you are doing is based on cuts to save the taxpayers' money, which is important. I'm striving to determine how we ensure that the quality of education is also protected in your taxpayer-centred education system.

Hon Mr Snobelen: I would argue, sir, that everything I am doing and that our government is doing, everything our caucus is behind, is about creating a better Ontario for the young people of Ontario, a place where there's more opportunity and more possibility and a more vital economy for those people to have careers and raise families. That is the ultimate goal of all our efforts.

Mr Wildman: I would think that's the ultimate goal of everyone, as is motherhood.

Hon Mr Snobelen: Motherhood's never been one of my goals.

Mr Wildman: I won't get into your personal life.

Hon Mr Snobelen: Thank you.

Mr Wildman: The question is, are you going to move with legislation or not?

Hon Mr Snobelen: As I've said, we are considering the submissions made by people in the education community. One of those is suggestions about what may or may not be done in order to have teachers spend more time with students—

Mr Wildman: Are you prepared to open collective agreements through legislation?

Hon Mr Snobelen: —and we have not ruled out any of those suggestions. We're considering them now.

Mr Wildman: In other words, it is one possibility that you will open collective agreements to ensure that teachers are laid off. That's what you're considering.

Hon Mr Snobelen: You can come to any conclusion you'd like in the hypotheses. We are considering all the suggestions that have been made. We'll give them good, due consideration and take what actions we believe will have us have a more affordable, more accountable and higher-quality system.

Mr Wildman: Yesterday I raised the issue that the \$400-million savings required from September 1996 to December 1996 would on an annualized basis be \$1 billion in cuts and asked if you could confirm that. At that point you indicated that we were looking at somewhere around \$800 million.

I have a letter dated January 9, 1996, to you from Donna Cansfield of the Ontario Public School Boards' Association, in which she says:

"Dear Minister:

"The Ontario Public School Boards' Association is concerned with the impact of the \$400-million reduction to the general legislative grant program and its impact on the public school boards across Ontario. The association would like to provide the following advice on some policy and related issues related to the 1996 grant formula.

"OPSBA recommends that there not be major grant policy changes in 1996, pending the results of the education finance reform work group. As 1996 will be

the first year of the extension of sharing of corporate assessment on a per-pupil basis, public boards of education will need time and the means to compensate for additional losses in local revenues on top of the \$400-million grant reduction."

Then, further:

"The \$400-million reduction must be spread over the 1996-97 provincial fiscal year to allow time for school boards to make local adjustments. Due to the timing of collective agreements regarding the movement of staff and notices to employees, school boards will find it difficult to downsize in the first half of their fiscal year. There must be flexibility to enable school boards to absorb grant reductions by March 1997, the provincial fiscal year-end, rather than the school board December 31, 1996, year-end. To accomplish this the ministry could consider using the provincial school board grant payment schedule to cushion the impact on school board employees while maintaining the provincial government's fiscal year targets."

I won't read the rest of the letter, but essentially in this letter Ms Cansfield is confirming what I said yesterday, that if they have to make the \$400-million cut between September and December, it's a lot more than \$400 million, more than twice that on an annualized basis, and it will make it very difficult for boards to do it. She admits that we are talking about significant downsizing, and she doesn't think, because of the notice and so on that's required, that is possible to be achieved in that period of time and believes, if you're going to do it, that it should be spread over the 1996-97 fiscal year. This letter was written January 9. Can you give us some kind of response? I'm sure you've responded already to Ms Cansfield.

Hon Mr Snobelen: By the way, the Ontario Public School Boards' Association has attempted to and been successful in honouring its commitment to the parents and taxpayers and young people of Ontario. They have submitted to us suggestions about reductions in the cost of our school system that total over \$1 billion, and I think they are willing to engage the question of, how do we have a more affordable, more accountable and higher-quality system?

I'd like to quote from something that Donna Cansfield also said.

Mr Wildman: I think you quoted from her in your opening remarks. I'm interested in how you responded to this letter.

Hon Mr Snobelen: "We have an obligation to our children to ensure the best quality of education, but to also work responsibly with the provincial government to ensure they do not inherit an overwhelming debt. The Ontario Public School Boards' Association will continue to work in partnership with its partners and the government to find cost-saving measures." I salute their efforts in that regard.

0920

We obviously will take into consideration all the submissions, all of the suggestions of our partners in education, including all of the submissions and all of the suggestions from the Ontario Public School Boards' Association, and we will give all of those due consider-

ation. I do want, though, to point to the context of your question—

Interjection.

Hon Mr Snobelen: Yes. There is always—I expect there is always some pull to putting off difficult decisions, to postponing difficult decisions—

Mr Wildman: I don't think that's what she said.

Hon Mr Snobelen: —to postpone cost reductions.

Mr Wildman: I'm sure that's not what she said.

Hon Mr Snobelen: I think this is something that's true in the public sector and the private sector. If you look at the history of the variety of public services in Ontario, there has been a history of putting off difficult decisions. This government has accepted the challenge and the responsibility of not putting off decisions, of accepting that we have to make those difficult decisions, make them in a timely fashion—and I will refer again to the \$1 million an hour that we indebt our children every hour, 24 hours a day, 365 days of the year. I believe that requires—

Interjection.

Hon Mr Snobelen: You may, sir, find that amusing, or you may think that violins should play, but I'll tell you that there are children in our system—

Mr Wildman: It's not amusing, it's tragic.

Hon Mr Snobelen: I believe it's very tragic so that we must—

Mr Wildman: We're talking here about a letter from a very important and responsible individual who represents the education system. I've asked for a response, and the minister doesn't want to give a response.

Mr Tony Martin (Sault Ste Marie): I ask the minister not to be so arrogant.

The Chair: Order. Let the minister complete his response.

Hon Mr Snobelen: I would find it hard to believe that you would find those comments arrogant.

Mr Martin: They are arrogant.

Hon Mr Snobelen: I think we are talking about a tragic circumstance.

Mr Martin: You are arrogant, particularly when you repeat it over and over again.

Hon Mr Snobelen: Well, until the message hits home I suspect we have to repeat it. We have to continue to repeat that over and over again until people understand it.

Mr Martin: You don't.

Mr Wildman: I won't get into this, Mr Chair. It's almost like a chant, and we all can chant it. What we're interested in is a specific answer to this letter.

Hon Mr Snobelen: No, sir. It's a horrible and tragic set of circumstances that we're about to visit on the children in the province of Ontario.

Mr Wildman: What I'm saying is, the minister is characterizing Ms Cansfield's letter as trying to postpone difficult decisions. That's not what it's about at all.

The Chair: Order. Could we just—I know sometimes the response may not be suitable for the—

Mr Martin: It's arrogant. It's not unsuitable, it's arrogant.

The Chair: Could we allow the minister to respond and—

Mr Wildman: I would like him to respond, but he wasn't responding.

Hon Mr Snobelen: It's unfortunate that the honourable member doesn't like the response, but I'll say again that we are considering all of the submissions that have been made by everyone in the education system, including the Ontario Public School Boards' Association and its president, and that we will take all of those suggestions into account when we deliberate what action this government might take. We have not yet completed those deliberations. We are considering all of the things that have been suggested, including the submission that you have just read and also the submissions from the same organization that asked us to reduce the expenditures out of classroom by \$1 billion.

Mr Wildman: Do you agree with Ms Cansfield's specific question—concern and assertion that the \$400-million reduction on an annualized basis is much greater than \$400 million? Yesterday I suggested \$1 billion.

Hon Mr Snobelen: Yesterday, I believe, when you asked that question, I said we are cognizant of the fact that the province runs on a different annual timetable than does the school board system and we're aware of the difference between the two, and we're also aware of the input points that the school boards have in making reductions. When we have a look at the total available reductions to school boards, we'll make sure that those balance.

Mr Wildman: So you're not going to require more than \$400 million that has been announced at this stage to be cut?

Hon Mr Snobelen: Let's be clear about what's been announced. The Minister of Finance has announced that we will reduce our grants in the next fiscal year for the province by \$400 million. We'll make sure that those impacts are absorbable by the school boards.

Mr Wildman: Will you respond to Ms Cansfield's request that the grant cut of \$400 million—she is not saying it shouldn't be done or postponed, she's just saying it should be spread over the fiscal years in such a way that it is in fact a \$400-million cut for the boards, not a much greater cut in order for the \$400 million to be taken out in four months.

Hon Mr Snobelen: As I've said, we'll consider the submission you just read, we'll consider all the other submissions from the various associations across the province, and we'll be mindful of the timing and the time constraints that exist for these people to reduce their expenditures.

Mr Wildman: So if it were required to be taken out in four months, you're agreeing that it would be a lot greater than \$400 million for the boards, that a grant cut of \$400 million would result in significantly higher cuts by boards, perhaps in the magnitude of \$1 billion.

Hon Mr Snobelen: Depending on how reductions in out-of-classroom expenditures are made, there may be more significant savings than \$400 million available to boards. I would certainly concur with that. I do acknowledge and recognize that we are in different calendars.

Mr Wildman: The Ontario Public School Boards' Association also requested you, the government, to consider that the School Boards and Teachers Collective Negotiations Act be amended to provide for boards to lock out teachers and to modify terms of employment in

collective agreements. Have you determined what your response is to that request?

Hon Mr Snobelen: We have not yet completed our deliberations on all of the suggestions that have been made. I might point out—and I'm sure you remember but I'll perhaps remind you—that your government overrode collective agreements across this province, so this is not an unprecedented suggestion by others. Perhaps it is that precedent they're looking at when they make the suggestion.

Mr Wildman: We also provided for a negotiation of the terms of the situation, but that's another matter.

One other question before I get to colleges: In terms of the two so-called negative grant boards, Toronto and Ottawa, the deputy yesterday referred to the discussions he has had with them to try to ensure that they will be contributing to the savings, and not just the boards that are less assessment-rich, if you want to use that term, that receive grants. Has there been consideration by the ministry, if they don't get an agreement from those two boards, of requiring boards to take over the employer share, the employer cost of teachers' superannuation?

Hon Mr Snobelen: I'll allow the deputy to respond. He responded to this question yesterday in, I believe, a fulsome manner, but I'll allow him to respond today. Perhaps that would be appropriate. I want to point out before the deputy makes his comments that the so-called negative grant boards—their status changes annually vis-à-vis their assessments. There may be some changes in status for these boards in the very near future as assessment changes around the province. This is not a static, it's a dynamic and one that has to be addressed each and every year.

Mr Richard Dicerri: In terms of Metro Toronto and Ottawa, I guess I would say that I remain quite optimistic, given the discussions we have had with Metro Toronto, that an agreement which recognizes the interests of all parties, all students, can be achieved. I believe some interesting work was done with the previous administration, the previous government, in terms of when the previous government was faced with similar challenges in debating the social contract contribution, and I think everyone is quite aware of that.

0930

Mr Wildman: Okay, I'll leave that. Just one other short question: In terms of the document I gave the Chair yesterday, which has been the subject of some discussion, and user fees, there's a proposal for a \$2.50 charge for lunch room supervision per week. I know you've said everything's on the table and you haven't made decisions. If this were to be instituted, or something similar to that, considering the cuts to social assistance that families have faced, do you think it would be appropriate to charge an extra \$10 per month for lunch room supervision, and how does that square with the government's commitment to a student nutrition program?

Hon Mr Snobelen: Is this in reference to an item that's in the document?

Mr Wildman: Yes.

Hon Mr Snobelen: My understanding is the document is a compiling of requests made of the ministry. I think

we made that clear yesterday. So the question is how we'll respond to that, is that accurate?

Mr Wildman: I'm just saying, if you were to do that, do you think that would be in line with your commitment to a student nutrition program?

Hon Mr Snobelen: I have said about the document, as you said, everything is on the table, we're not going to dismiss out of hand suggestions made to us by our education partners. We think they need due consideration and we'll give them that. I have also said that the point of this particular effort is to reduce the out-of-classroom expenditures in the education system. I am on record as saying that user fees do not achieve that goal.

If I can help to clarify the question, on page 15 of the document, where this comes up it says, "Charge fees for lunch room supervision. Boards have suggested that a charge of \$2.50 per week would cover their cost." I just want to underline that this is a suggestion we've received from the boards, this is not a suggestion that was generated by this government.

Mr Wildman: My question was just, is it in line with your commitment to a nutrition program, or not? If it's not, then obviously you'll reject it.

Hon Mr Snobelen: As I've said, user fees are not consistent with the point of our discussions on this.

The Chair: Is that it, Mr Wildman?

Mr Wildman: I would like to deal with colleges and universities and apprenticeship programs in the next go around.

The Chair: That's fine. The Conservatives have 30 minutes too.

Mrs Lillian Ross (Hamilton West): Last week or the week before, I can't remember now, in a continuing dialogue with McMaster University, which is in my riding—we meet on a regular basis so it's interesting that people say we're not consulting; we are consulting on a continuing basis.

When we met with Dr George, the issue was raised about the fact that in a program, if there were more people interested in taking a program than there was funding for those programs—take Australia as an example. Lawyers, for example: If there are too many people enrolled in a program at the subsidized rate they allow them to come on and pay the full rate. Is there any discussion going on for Canada or Ontario to adopt that type of program here? I think universities would be quite agreeable to something like that if it would happen.

Hon Mr Snobelen: There have been ongoing talks. I met with Dr George as well on a couple of occasions. It's interesting to me that those who would suggest we have not consulted are not able to say who it is we have not consulted with. Our school system involves something over 5,000 schools, two million young people and over 120,000 teachers, so I guess it's accurate to say we haven't consulted with each and every one. However, I think we have consulted with the major groups, both with our caucus committees and our caucus members, and as much as is possible by the parliamentary assistants who are responsible, the minister, the deputy minister and other staff. So there's been a wide range of consulting done, and talking, in the industry.

One of the questions that has been raised by Dr George and others is how to work with enrolments and how to have flexibility in fees. This is part of what we hope to get to in a discussion paper, one of the things we want to talk about in that discussion paper, because it does need a very fulsome conversation.

There is a dilemma, of course, and that is that the Ontario student assistance program is available to many people when tuition fees are allowed to rise to market value, if you will. The public and the province of Ontario continue to offer student assistance, often in the form of grants, and so in some cases it may have the effect of shifting a grant formula from a university into the OSAP grant that comes above a certain ceiling, and in that case the public is still involved in the funding of the education.

Funding of universities is a very complex issue. There are a lot of objectives to meet, particularly research objectives, which also cloud the funding formula. The province has a responsibility to have the access to post-secondary be equitable. So while we recognize and understand the point that Dr George and others have made, we also have to make sure that we're looking at the whole pie, the whole context of funding of post-secondary.

We continue to have those conversations and I look forward to the discussion paper and look forward to the results of that discussion paper and the suggestions that we'll get.

Mrs Ross: I'd like to ask another question. In that discussion with Dr George, we also talked a bit about a nuclear reactor that is located at McMaster University. It was scheduled to shut down, I believe in March, because there's no funding for it. But I'm told that it is now staying open for another two months because there's a partner in the private sector who'd like to take it over and the business plan is currently being reviewed. I'd like to ask if your ministry is encouraging that kind of partnership and if in this instance, in my riding, at this nuclear reactor, there's anything that we can do to help facilitate that switch from public to private partnership.

Hon Mr Snobelen: There is a variety of initiatives now with our universities, and there has been. There is a history of partnership with the private sector and universities working cooperatively to make sure that universities have access to the latest in research equipment. It benefits both the private sector, obviously, and the universities, so those models of cooperation continue. As the distinction between basic or fundamental research and applied research becomes even more fuzzy, the line between those two, there has been a trend line to having more and more private sector involvement with universities, both in Ontario and other provinces of Canada and in the United States. This is a global trend.

Mrs Ross: I'll just make one comment and then I'll pass it over to someone else who wants to ask questions. With respect to that nuclear reactor, they're quite confident that the private partner's going to come on board and take it over. They would like to invite you when that happens so that you can come and view the reactor yourself.

Hon Mr Snobelen: I've spoken to Dr George on that subject and others, and if that possibility comes up, then I'd be more than happy to be there.

Mr Steve Gilchrist (Scarborough East): Mr Chairman, if we have unanimous consent of the other two parties, what we'd like to do is, recognizing the minister's schedule and the fact that the committee was scheduled to break at noon, propose to forgo the balance of our questioning time.

The Chair: Are you now forgoing your time?

Mr Gilchrist: Yes, all of our next two passes, so that the committee can rise at noon.

The Chair: That's fine, so you forgo yours.

Mr Wildman: Mr Chair, on that point: I appreciate Mr Gilchrist's proposal. Frankly, if I'd known yesterday that this was a problem, I would have raised yesterday the questions on the colleges and universities that I intend to raise, but unfortunately, we weren't told until right at the end, when I'd already not raised those issues. If we'd known yesterday, I would have been happy to accommodate the minister.

0940

Mr Gilchrist: Mr Chairman, is it appropriate to seek consent of the other two parties that we forgo our next hour and 15 minutes?

The Chair: I think you can forgo yours; I don't think we can ask them.

Mr Gilchrist: No, just forgoing the next two PC go-rounds.

The Chair: You can do that if you want, on your own, but seeking unanimous consent may involve a lot of debate here, and I don't want to—

Mr Wildman: No, we're very happy to agree.

The Chair: If you want to forgo yours, that's fine. Do you want unanimous consent to forgo yours?

Mr Wildman: I won't object.

The Chair: They have no objection to your forgoing your time. Fine. So you're forgoing that time. I will ask the Liberals now.

Mr Richard Patten (Ottawa Centre): How many rounds would this give us? Two more?

Mr Wildman: No, we get our regular rounds.

The Chair: You get your regular rounds. You'll have your 30 minutes.

Mr Patten: So we can get an hour, we can get two. Okay.

The Chair: It's all up to you. It's all yours now.

Mr Patten: I have a series of items that I've been collecting that I think would be fairly quick to deal with. I'd like to try to come at the \$400-million cut for 1995. I'm sure you've visualized this and I'm sure the deputy has visualized this and I know your officials have more than visualized this, but when a system, in a third of its time, has to literally show that it's cut back \$400 million, it's no secret that you have two questions to ask, and one is: If I cut this back within this budget year, what does it mean for the next budget year? Presumably, that \$400 million is gone forever. But if I cut back on four months and that's stretched over a year, then it's three times that, potentially, or double that anyway. So it's somewhere between \$800 million and \$1.2 billion that we're talking about, if you annualize that amount.

There are few questions more frequently asked of me, and I'm sure letters to you and letters to anyone in the ministry and the critics of all the parties, other than, "What does this mean?" If it means it is annualized, then we're talking about very dramatic cuts—cutbacks obviously to staff, reduction of staff in any case, regardless of the ways in which that may be achieved, and there are ways in which I know it can be achieved. But the fact remains that you have a system with less money.

When you look at budget year 1997, let me ask you this question, Minister: If there were no requests other than the \$400 million for the boards to cut back for 1996, what would that mean for the boards for 1997, that it would be a total for 12 months—regardless of whose 12 months, regardless of whose budget year, but let's say the board's 12 months for 1997. What would you feel that they would be facing, that they would then in 1997 be taking that \$400 million and spreading it over 12 months or that they would have to multiply the \$400 million by two or by three?

Hon Mr Snobelen: I recognize the difficulties that are inherent when you have two different fiscal years. Also, the education system, not unlike some other systems, has basically a nine-month year from the point of view of expenditures, so if you're going to reduce costs, you have to reduce costs over a nine-month period, not over a 12-month period. It's difficult for our school system to save considerable operating costs in the months of July and August and over the break periods in December and March. We basically have nine months in which expenditures are incurred by the system, so school boards and the provincial government have to keep in mind that if you're reducing costs, you're going to reduce costs in those time frames primarily.

I want to emphasize something I said yesterday: What has been announced is a \$400-million reduction in grants next year, in the province's year. We are now obviously examining what can be done to reduce costs by that much in that same time period by boards across the province. It has been suggested that some of the methodologies that would be used would result in a decrease in costs significantly more than \$400 million. We are, again, still working on those submissions.

I said yesterday, and I believe in this, that we need a more affordable, more accountable, higher-quality system, and in all of those areas—affordability, accountability and quality—we must be looking for continuous improvement. As it relates to expenditures, that means I would expect in 1997, in 1998, in 1999, in the year 2000, we will continue to review, with the people in the education system, our spending, particularly our out-of-classroom spending, and make sure we have the most affordable system possible.

If it is possible to reduce costs by more than \$400 million, I think we should do so, particularly as that relates to out-of-classroom expenditures, expenditures that do not have an impact on students. We need to reduce, obviously, our administrative costs and other costs as much as we possibly can and as quickly as we possibly can. I think that's what's in the best interests of the future of students.

Mr Patten: You would, I would imagine, appreciate that if you were an administrator in a board, you would need to know whether that \$400 million is annualized or not, for the very simple reason that if it's not, it will guide the nature of your cuts. In other words, if you say to me, "Listen, director of education for X school board, this \$400 million is \$400 million for the year, and unfortunately, because we have to move quickly, we're asking you to make the first cut within a shorter period of time," the nature of the cuts would be different than if you said, "By the way, we want you to know that this \$400 million that we're asking you to cut for four months, multiply that by two or by three for next year"—the knowledge of whether it's one way or another is highly significant and will affect the nature of the cuts for that board. Would you not agree?

Hon Mr Snobelen: I've had a chance to talk to CODE—the Commission on Declining School Enrolment—and I've talked to individual board administrators and business administrators in a variety of boards in a variety of different circumstances across the province, and I can tell you that they have very clearly given me two messages.

One of those messages is that they, as soon as possible, need to know what mechanisms might be available to them to reduce their costs as quickly as they possibly can. The other message is that a reduction in costs, in particular costs outside of the classroom, is doable, that given the right methodology, given cooperation with the provincial government, the board administrators, the business administrators, the directors of education across this province, or the professional people in our system, can effectively reduce the costs out of classroom and make this system more affordable.

Mr Patten: Thank you for your clear answer.

Mr Wildman: And they would like to have more say over the \$400 million.

Mr Patten: I would assume—

Hon Mr Snobelen: Would you like to direct your question directly to my interpreter or would you still continue to me, to go through this process?

Mr Patten: All I can say to the school boards is that I suppose they will hear in short order what they're facing.

I would like to come back to a question we discussed yesterday. It had to do with adult education programs. As we explored it and as we got deeper into the significance of what may occur—and I have had a chance to personally discuss this with a number of school boards—I find it interesting to discover that in the cuts announced so far for adult education programs, we begin to see that the Peterborough board, I'm led to believe, has four adult programs cut, with 211 students affected and 11.5 teachers cut. The Kapuskasing board has cut—I'm not sure whether this is in total or in part—its adult education. Niagara Falls is considering cuts to its programs. Minister, we're beginning to see the need to cut and which programs are more vulnerable.

0950

I would place adult education as being in a vulnerable position, a similar position to junior kindergarten, in that because they have been recategorized in their funding

essentially what it means is there's less support and, "Good luck to you, school boards, and we wish you all the best." Both of these programs have high significance.

You say you're not going to touch the classroom. I find that astounding. What's going to happen, I know, is that you're going to redefine the system so you'll be able to say: "See? We did not touch the classroom." But that won't fly for anybody who has any understanding of the educational system, who knows about it, works in it or has an interest in it. It will be an embarrassment. It must be very difficult to put out, I would think, that you have not touched the classroom.

These are people doing exactly what your CSR suggested, that is, "We are going to help those who want to take initiative to get out of the situation they find themselves in and get extra training and go to college or be better prepared for employment." And the value of early childhood education is indisputable. I know you know it's important, but given the mandate you have—here it is; it's starting now. What's your reaction to that, Mr Minister?

Hon Mr Snobelen: The question runs the gambit from junior kindergarten to adult education, and I'll address the adult education. We talked about this at some length yesterday. As I said, I have had conversations with a variety of school boards across the province, obviously not all of them at this point in time, about adult education.

There is a very clear distinction, and I'm sure you would agree with me, between the needs of adolescents and the needs of adults, between the education programs appropriate for adolescents and the education products and methods appropriate for adults. I'd suggest there's a different need between adolescents and adults. That is probably very obvious to anyone who has observed this system of education in even a passing way; they'd recognize there is a difference and a distinction between those two kinds of needs.

Our proposal to the grant formula, which we discussed yesterday, will leave boards with the option of delivering and the flexibility to deliver adult education in a different format, with a different cost base, for adults than for adolescents. It would seem to me to be fairly obvious that a different system is appropriate for those two very distinct sets of needs and two very distinct sets of responsibilities.

As to your suggestion that some who have an interest in adult education may not like this change, I'd submit there may be some truth to that. There may be those who are affected directly in terms of delivery of adult education who would like to have it continue at the same rate of grant as that for adolescents. That may be true, but it's very obvious that adults have a different set of needs, that there's a different cost base for this delivery and that we should recognize that in terms of the provincial government's contribution on behalf of the people of Ontario.

Mr Patten: I would say this morning, "Every school board, there's your message." If your basis for looking at a new arrangement for funding adult education is based upon the differential of needs of adults—let's reflect for a moment. We're talking primarily here of young people. We're not talking about 65-year-olds; we're talking about young people, usually in their early 20s, who are seeking

to complete their secondary school education, a diploma, and they will go full-time to complete it. The average is about nine months. There is recognition for equivalent credits. Someone is going full-time.

What needs would be different, from an educational point of view, of a student attending classes full-time to complete secondary school, between, let's say, a 17- or 18-year-old and a 21-year-old on welfare who's trying to get off and is a single mom?

Hon Mr Snobelen: I think it would be disingenuous to suggest that the profile of an average, if that word can even be applied here, person involved in adult education—to suggest that demographically that person would be a 21-year-old would not be accurate. In fact, the people who use adult education services in the province do so from a variety of different demographic groups, in the range of people who are 21 to people who are nearing retirement. They use adult education for a variety of different reasons, some to get an accreditation necessary to go on in other educational programs or training programs, some because they believe accreditation will help them in the job market or to get into the job market, some because of personal interest and the desire to continue their own education. There is a whole variety of needs and a whole variety of demographics of the people who use adult education.

I can say that there is considerable difference in the responsibility of the education system for adults. Surely we have a different responsibility as a system, in terms of custody, for people who have reached the age of majority in Ontario than we do for those who have not. Obviously, there's a different level of supervision involved. Obviously, we believe that people who are adults have a different set of responsibilities, and we obviously have a different set of responsibilities for them as a province.

The options available in adult education include different class sizes which are appropriate for adults. Adolescents require perhaps more individual attention; perhaps we put less responsibility on them. I think most people in the province would find that to be a fair statement. Also, we allow the staffing for adult education to be quite different than it is for adolescent education, in fact at quite a reduced cost. I'm told there are adult programs offered at significantly reduced cost. If you want to look at the operating cost per hour, sometimes these costs differ by as much as \$25 or \$30 per hour in classroom delivery costs. That is significant, and that's reflected in the funding formula.

Mr Patten: We alluded yesterday to this issue of the general education diploma. I don't know if the pilot has been completed yet, and the ministry is expected to decide by spring, I'm told, according to a Globe and Mail article, I think it was. Two questions on this: (1) whether this is one of the ways to replace some of the existing adult education programs, as you see it; and (2) whether the ministry has yet had a chance to assess the pilot project that was being handled by the federal government.

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Hon Mr Snobelen: I'll ask Joan Andrew, if Joan can come forward. Perhaps she can tell us the status of the pilot project and when those decisions will be made.

I can tell you, though, that the equivalency program is not intended to replace, in all cases, adult education. It will, however, be able to meet the needs of those people who believe they require a high school accreditation to get on with either entry into the job market or into other training or education services; it'll allow those people who have, because of their prior learning experiences, reached a level of proficiency that would allow them to be tested to earn the accreditation. This works very well for those people who believe they have, because of their life experiences, reached that stage and would like to get the accreditation and acknowledgement for that.

Ms Joan Andrew: The pilot project will be ongoing through till the end of March. We have been doing ongoing monitoring of the people taking the test and what their results are, and we're participating with OISE in a longer-term research study of the graduates. But the initial results are that the people who have taken the test, who've been prepared in the pilot training centre, exceed the national average in terms of people taking the GED; it's about a 74% success rate for those who've taken the test so far.

Mr Patten: Could you share with me what's the basis of your evaluation?

Ms Andrew: The OISE evaluation?

Mr Patten: Yes.

Ms Andrew: I don't have it in front of me. Sorry. I can—

Mr Patten: In other words—this is hypothetical—a poor test in which lots of people do well doesn't necessarily tell you much unless you have some criteria: What are you testing and how does that relate to what the test is designed to do? Theoretically, I would imagine it's designed to help provide an open door to either college or university or employment or further advanced training.

Ms Andrew: The GED is a test that's used in all 50 states in the United States and nine of the 10 Canadian provinces. It's a fairly widely recognized test, so we administer the standardized test. It's not an individual test that we're administering, and I think the results are national. What we're trying to do in the research is do longer-term follow-up to see what people's results are. Most of the people taking the test want to take it for employment reasons; as employers use high school accreditation as a screening tool, they want that accreditation. If you want to apply to a college in Ontario, you don't need a high school diploma because of the PLA system.

I can provide details on the methodology of the OISE research. I just don't have them with me.

Mr Patten: While you're still there, maybe I could ask you this, if you don't mind, Minister.

Hon Mr Snobelen: Go ahead.

Mr Patten: It's just seeking information. You will recall my interest before Christmas on the Bridges program. We had at that time explored where it was, and Ms Andrew was kind enough to provide some information at that time. "The Bridges program will be part of pilots we're testing as we implement secondary school reform." When I asked when this might be available, you said, "It should be made available shortly and any announcements will be"—I shouldn't have cut you off,

but I see in Hansard that I did, and I apologize for that. "Next week?" was my question. Where is that at the moment, and when might we see some surface of that program?

Ms Andrew: The minister has written to some boards. If you're going to ask me specifically where, I would have to go and get the information, but the minister has now written to boards that have been successful in the pilot projects.

Mr Patten: This was with pilots with, I think, 25 different situations, was it not?

Ms Andrew: I'd have to go and check, I'm sorry.

Mr Patten: Could you get me the information on and that let me know?

Ms Andrew: Yes.

Mr Patten: All right, moving right along. Minister, as to the legislation you've introduced in Bill 31, as you know, there's a fair amount of concern with many of the teacher federations and the teachers. I know they've expressed their views to you in clear and no uncertain terms. When that legislation is introduced, are you prepared to see that go to committee to provide teachers or federations or interested parties with a chance to make their views known?

Hon Mr Snobelen: As I'm sure you're aware, the course of the bill as it's deliberated by the whole of this House will be determined by the House leaders. I believe it's our intention to make sure that this bill has the opportunity to have a fulsome debate. There are some contentious parts of the legislation. It's a response to recommendations in the royal commission and it's a continuing of an initiative that was started by my predecessor in the previous government.

I believe the bill has addressed, in its current form, many of the concerns people might have. However, I believe our House leaders of all three parties will sit together and design a process for this bill that's useful and works properly for public discussion.

Mr Patten: Would you be prepared to recommend that it does go to committee hearings?

Hon Mr Snobelen: I have not discussed this with our House leader at this point in time. I will do so in the near future and I'm sure the House leader for our party will be in discussion with the other two House leaders to make sure the process is appropriate.

Mr Patten: I assure you, Minister, and perhaps the critic from the NDP might agree, that I will certainly work hard at making sure that our House leader will encourage your House leader that it would be advisable to listen to the teachers' federations. Frankly, I believe there are some miscommunications on this issue.

Hon Mr Snobelen: Yes.

1010

Mr Patten: I know there's a fair amount of fear. I talk to teachers individually. There are different perceptions about what this contains in the intent. As you know, our party supported the concept of the College of Teachers, but in my opinion the core of the concern is really the representational aspect, relatively minor but perceived to be highly significant. If that aspect were examined and there was some flexibility shown in the number of certified public teachers participating on the council, as

I think is demonstrated in the BC model that is used as an example, I have reason to believe that the receptivity and the feeling of having encouraged a professional body of teachers controlled by teachers would be supported.

Hon Mr Snobelen: I share your observation. I believe that the more knowledge teachers have about what the bill contains will add to their comfort with the bill and with the college. I believe the more knowledge people have, the more comfortable people will be with the model that's been suggested.

Unfortunately, there's a lot of what in my view is misinformation that has circulated about the college, about its intent, about its format and about the amount of participation that members of college will have and the clear majority that they'll have, not only on the governing body but also on each and every committee of the college. I agree with you that the more people know, the more comfortable they'll be, particularly classroom teachers.

I note that the House leader of the third party made mention when we introduced the bill that perhaps we should go right to third reading. I think he was being somewhat facetious, but I think we can work between the House leaders to make sure this has the kind of attention it deserves.

The Chair: In rotation, I'll go to the NDP and Mr Wildman.

Mr Wildman: I'm sorry I didn't hear that exchange. I was being asked a question by one of the clerks.

Hon Mr Snobelen: You can trust that it was a perhaps feeble attempt at humour.

Mr Wildman: I'm sure it was recorded. I'll read it in Hansard.

Mr Patten: You guys wanted to go to third reading right away.

Mr Wildman: Oh, I don't think I would suggest that. I think I said at the time the legislation was introduced that we would hope it would go to committee so that we could hear presentations from all the interested parties.

I said that I wanted to deal with colleges and universities and apprenticeship. We've got, on transfers to colleges for 1996-97, \$689 million, a reduction of \$120 million, on top of the \$6.8-million reduction in the summer. We've heard media reports and received correspondence on decisions that are being made by colleges across the province as a result of the announced reductions, which are quite alarming.

I notice the February 1 edition of the Hamilton Spectator has a front-page story on Mohawk College headlined, "Mohawk Takes a Hammering." It states, "Reeling from federal"—I admit there are federal cuts in training that are affecting the colleges substantially, and I've dealt with that. I've had correspondence with the minister about that as well.

"Reeling from federal and provincial funding cuts, Mohawk College is poised to slash 415 jobs, cut 680 student places and shut down programs and campuses.

"The board of governors last night endorsed a plan to trim more than \$15 million from the college's \$104-million budget.... 'Suddenly we're called upon to reduce and shrink'" the system, "said President Keith McIntyre.

"It's too bad there has to be a knee-jerk reaction (from the Progressive Conservative government) to solve (long-standing budget problems) in two or three years."

Basically, we've got Ontario's college system, now in its 30th year, in turmoil as it sheds teachers, administrative and support staff, cuts programs and shuts down campuses. The system could lose 1,000 or more jobs out of the total of about 7,500 full-time teachers, librarians and counsellors.

The Council of Presidents produced a document called Learning-Centred Education in October, and basically what it talks about is the teacherless classroom. I know the minister has talked about the virtual classroom in the past, but what we're discussing here is the teacherless classroom, a system where students would be operating on their own with CD-ROM courses and computer tutorials to deliver their education, and support staff rather than teachers would often monitor the progress of students, who would work at their own pace.

This I think is quite alarming. Not that I'm opposed to the use of CD-ROM and computers—we've had distance education that has been successful in the past and we have those programs in place now—but surely this ignores the crucial contact and interchange between teacher and students and among students.

We've seen announcements that have been coming in ever-increasing numbers: Sheridan College has announced job cuts and enrolment cuts which will mean that the enrolment will be down 5% to 7% across the province; Fanshawe just announced—it was in the press and on the radio this morning—

Failure of sound system.

Mr Wildman: —in teaching staff as the first wave of cuts at that London institution; Algonquin College in Ottawa is cutting its budget by \$7.5 million, layoffs, cancelling programs, shutting down satellite campuses at Hawkesbury, Perth, Renfrew, Smiths Falls, Carleton Place and Pembroke; Humber in Toronto, substantial layoffs and program cuts; Sault College in my area has to find \$5.9 million this year and has announced cuts of 60-some teaching staff and program cancellations—they are currently working on that with their staff. These are just some examples and they could go across the total of the 25 colleges.

What I'm worried about sincerely is that we are in a situation where we are supposedly trying to encourage people to get the skills that will make it possible for them to compete in the workplace going into the 21st century, that we don't want people to find themselves dependent on social assistance, and at the very time we're encouraging that, we're cutting programs, the very programs that would give them the skills and the qualifications for the jobs they aspire to and that they want to be able to have to be productive and to provide for themselves and their families. It does seem counterproductive to be making these cuts at the very time we're encouraging people to provide for themselves and to contribute to society.

Do you have any overall picture of the number of programs and the kinds of programs that are being discontinued in the college system as a result of the announcements, first the small one in July and then the major one in November?

Hon Mr Snobelen: Perhaps I can begin by sharing with you some comments made from Mohawk College to the Council of Presidents, dated February 1, 1996. This is a fairly comprehensive memorandum. I will take a couple of very short quotes from it and then I will give this to you. I think you'll find it informative.

This memorandum from Mohawk College begins as follows: "Media reports of Mohawk's 1996/97 budget deficit reduction plans amounting to \$15.4 million have been distorted and inaccurately reported, particularly by CBC Radio and the Hamilton Spectator newspaper." Is that the Hamilton Spectator you quoted from?

Mr Wildman: A well-respected journal.

Hon Mr Snobelen: The note from the president of Mohawk says that these plans have been "distorted and inaccurately reported," and he mentions that respected journal specifically.

I'll leave you with just one more quote from here, although this memorandum does go on quite extensively.

Mr Wildman: Does that mean then there will not be program cuts at Mohawk?

Hon Mr Snobelen: Perhaps this will be clarifying. Again, we don't want to have distortions, particularly not in a public discussion.

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Mr Wildman: I'd like to find the facts. What program cuts will take place?

Hon Mr Snobelen: If I can continue, I will give this entire memorandum to you. I think you'll find it edifying. But allow me just to put this one other quote from the memorandum:

"One media headline correctly states that Mohawk College is being hammered on both the post-secondary"—

Mr Wildman: "Hammered."

Hon Mr Snobelen:—"and apprenticeship/skills training sides harder than what was stated in Treasurer Eves' economic statement of last fall that the 15% provincial grant reduction would translate into half that amount on a college's total budget. This is clearly not so in Mohawk College's case."

Perhaps you will find this—and I will give this to you—very edifying.

Let me talk for a moment about, there have been some rationalizations. Part of our discussion paper is to formally have a conversation about the rationalization of university and college programs with a view to making sure that what's offered in the system is what's needed and wanted by the people, particularly people who access post-secondary education in Ontario.

You've mentioned Sheridan. I believe the president of Sheridan made a comment when they discontinued their nursing program that perhaps five nursing programs across the greater Toronto area were sufficient, particularly when one looks at the demand for nurses in the foreseeable future.

Mr Wildman: Ms Hofstetter also says enrolment across the system will be down 5% to 7%.

Hon Mr Snobelen: My understanding is that Sheridan, and I've talked to the president—

Mr Wildman: Not just in the nursing programs. This is across the board.

Hon Mr Snobelen: I've talked to the president on a number of occasions and she has suggested that it's a responsibility of the community colleges to look at two things: first, what services are available to people who are entering; and second, whether they can in fact accomplish the goals of those people who are entering those programs. I think that's a fair and objective way of looking at these.

Mr Wildman: I agree. Can you assure us that there will not be a drop of 5% to 7% in enrolment?

Hon Mr Snobelen: Obviously, no one in this room can predict enrolments in community colleges or universities.

Mr Wildman: Do you anticipate they will go down or up?

Hon Mr Snobelen: There is a variety of factors. If you look at the enrolment—

Mr Wildman: But surely you would want them to go up, because you want people to gain the skills, as I do, that they need in order to compete in the workplace.

Hon Mr Snobelen: Perhaps you might want to examine the enrolment data over the past couple of decades in our post-secondary institutions. You will find that they run countercyclical to the economic activities in the province. When the province is doing well economically, people tend to enrol less frequently in post-secondary programs and they tend to enrol in them for shorter durations because, I suppose, there are more options available to people. That perhaps would argue against your statement.

Mr Wildman: It's not mine; it's Ms Hofstetter's.

Hon Mr Snobelen: The statement you've just made, sir.

Mr Wildman: She said a 5% to 7% drop in enrolment.

Hon Mr Snobelen: As I've said, if you look at the history of enrolment in post-secondary institutions, there are a number of factors that affect those, and if you look at over the past 20 years, I think you'll see that the patterns that emerge have a variety of factors. One of those is what the economic condition of the province is. I have had a chance to talk to the former Education minister, Mr Davis, about colleges. He is a very good source on this subject.

Mr Wildman: Sure is.

Hon Mr Snobelen: My understanding is that the colleges were designed to be extremely flexible to respond to the training needs in the province of Ontario. In doing so, I would anticipate that they would adjust the programs they offer, that they would drop redundant programs and they would add a variety of new programs to meet the changing training needs across the province.

Mr Wildman: I agree with that.

Hon Mr Snobelen: As a matter of fact, sir, if you check with the college presidents, you'll find that they've been adding programs on a regular basis and continue to do so to meet the needs of both their community and the people who enrol in them.

Mr Wildman: But now they're cutting them.

Hon Mr Snobelen: I think it would be counter-productive for colleges not to entertain reducing programs that have become redundant for whatever reason and adding programs that are significant and have a demand

by the people who are enrolling and, by the way, by the businesses that employ people who are graduates of these institutions.

Mr Wildman: I certainly agree with that.

Hon Mr Snobelen: I've talked to a number of students across the province and I think what we are looking for and the reason for our discussion paper is so that we can add to the flexibility that colleges have so we make sure they're delivering the programs that young people need across this province. We think that's important for the future of the province and that's why we're including it in a public discussion.

Mr Wildman: Ms Hofstetter is making her comments directly related, though, to funding, and she's saying that if there are further cuts from the Ontario government and the federal government for retraining programs—and yesterday we had a short discussion about OTAB and the future of OTAB—the situation will be even worse and that enrolments will decline even greater.

It is true, what you've just said, that the 25 colleges are attempting to cooperate and ensure they're not duplicating and having redundant programs. I've heard you make the comment, and I know that administrators have made the comment, that one college is trying to ensure it's not providing a program that is available at another nearby college, and I think that's a good thing.

What about in the north, where there aren't any nearby colleges? If programs are cut at Confederation College in Thunder Bay, there's no nearby college. The closest college is in Timmins or in Sault Ste Marie. The distance from Thunder Bay to Sault Ste Marie is the same distance as Sault Ste Marie to Toronto. What happens to students in the north? In southern Ontario we're basically saying if there's a cut at Sheridan, maybe you can find a similar program at Humber, or something like that, and you will have to travel a bit farther but it can be done. What happens in those parts of the province where distances just preclude somebody being able to go a "nearby college"?

Hon Mr Snobelen: I know the deputy's had a number of consultations and discussions with people in the sector, and he probably has some observations that would be useful here. Let me, though, say that I've been to Confederation College very recently and talked to the president and other people on staff there. They seek to provide a service in that community that matches the needs of the community.

Mr Wildman: Good.

Hon Mr Snobelen: I think they continue to do so. They are also I think ensuring and taking all the steps they can to ensure that the programs they offer are of world-renowned quality, and they have several programs that would fit into that description. They have programs that are in demand internationally.

Mr Wildman: And they won't be cut?

Hon Mr Snobelen: They have programs that are in demand internationally that they are having some difficulty in supplying the demand for. So the college presidents I've talked to—

Mr Wildman: Do you see expansion at Confederation rather than—

Hon Mr Snobelen: I can't speak to what the intention of the president is, but I can tell you this, that probably they will discontinue some programs and expand other programs to meet the needs of the community. The college presidents and the university presidents are aware of the fact that they work in a very global economy and that they meet local needs, but in a global context. That's part of the purpose of our discussion paper.

Mr Wildman: I can tell you that all of the colleges attempt to do what you've just said Confederation does, some with great success, some with lesser, but they all strive for that. They all strive to help their students and to meet the needs of the community, and when I say "the community," I mean the local community and the community at large. But I'm telling you that I don't anticipate a significant expansion in the college system, particularly the colleges in northern Ontario, when you've cut their funding by \$120 million.

Hon Mr Snobelen: I think the deputy has some information that might be useful here.

Mr Dicerni: And I will ask Joan Andrew, who is quite close to community colleges and so forth, to add to the remarks I will offer.

A few points: One, the funding formula that we have in place for community colleges does recognize the special circumstances of students and colleges in the north.

Mr Wildman: Yes, that's true.

Mr Dicerni: Secondly, we do have a number of initiatives going on, and some of them you're probably familiar with, in terms of Project North.

Thirdly, colleges and universities, I believe, in the north are increasingly working in a cooperative manner. I received a proposal not too long ago from Laurentian, Cambrian and Collège boréal to offer some programming at reduced costs, ie, improving the efficiency of the delivery of public good in terms of post-secondary education. This I believe also applies in terms of Lakehead and Confederation, that there's an increased recognition in terms of post-secondary institutions of the need to work jointly together to provide better service for the students.

Joan, would you like to add anything to those initiatives which are going on in the north?

Mr Wildman: I'm sorry. I think in the interest of time—I've only got seven minutes—I'd better raise some questions on universities.

The Chair: You want to pass on that, then.

1030

Mr Wildman: Perhaps I can get the answer privately from Ms Andrew. I'd also be interested in her comments about DeVry and what solutions have been produced at DeVry to ensure that the hundred or so students who haven't been able to get their OSAP will be able to. I'm sure she can give me that answer also privately after.

In New Directions, the document that the Conservative Party put out in 1992 that the minister said yesterday was important at the time, but that circumstances had changed substantially since it was printed, says that college sector fees should remain lower because the number of Ontarians who are returning to college after long periods of employment—the fee structure should encourage individ-

uals to acquire new skills. Yet after significant increases in fees under our government, we now have the announcement of an additional increase of 15% tuition.

I'll just raise that and then I'll also raise another question with regard to the comments that were made both with regard to the fee increases at colleges and at universities yesterday, about the income-contingent program and the work that's being done with the federal government to try and come forward. Isn't it logical to expect that any income-contingent program that is brought forward will not be in effect in 1996 and will not likely be in effect at least until 1997 if we're successful at getting an agreement?

My question, then, really put on the table, is what happens to those students who will face the tuition increases in September 1996 who will not have any income-contingent program available to them for that school year? Wouldn't it be sensible to hold off on the tuition increase until you've got your agreement on that income-contingent program in place, if that is one of the reasons you're saying you can proceed with a tuition increase, because that will offset some of the difficulties that students will face, since it won't offset it until it is actually in place?

It appears that because of the changes at the college system, we're facing a significant collapse of apprenticeship programs. I've got a representative here from Algoma Steel Corp, Mr Woolley, who is involved in the apprenticeship programs at that corporation, and he has expressed dismay at what he sees happening in the trades, not just at Algoma Steel but throughout the corporate sector. I've been told by him and also by representatives of the college system that because of the cuts in funding, the apprenticeship program is likely headed to oblivion. It should be expanding. It's not good enough now. We aren't producing enough tradespeople now and yet we're going to face significant additional cuts, again at a time when we are saying, all of us, that what we need is to train to people so that they can find places in the workforce and be productive.

I'd like to move very quickly, since I'm running out of time, and I appreciate the accommodation that has been made by the committee, to universities. We have a situation now where we are facing at the university level a \$280-million reduction, with transfers to be \$1.5 billion. That is somewhat offset by the tuition increase of 10% and the possibility of an additional 10%, but again that raises a question of what happens in the meantime. Before an income-contingent program is in place, what does this mean for accessibility?

The total reduction in provincial funding for secondary education will be \$400 million in 1996-97. While we've talked about and the minister has mentioned the need to be more efficient and to avoid duplication and to ensure that courses are appropriate for students and for the community, and we all agree on that, it doesn't seem likely that we're going to see significant increases and expansion of programs to meet the needs of the community at a time when we're seeing such severe spending cuts, which are not completely offset by the tuition increases obviously and the tuition increases themselves would affect accessibility.

I guess what I'm really asking overall is the specific question on the income-contingent program. What are we doing to assist people to get the post-secondary skills, training and education they need at a time we want them to be doing this? What are we doing in terms of the college and university system to ensure this happens and what are we doing to ensure that apprenticeship programs are expanded rather than finding them in danger of collapse? I'll leave it at that.

Hon Mr Snobelen: That's a very simple and focused question. We talked about the apprenticeship programs yesterday and I believe, if I can just recap, that we have suggested that we are looking now at the delivery of apprenticeship and other training programs across the province.

I think there were some comments made yesterday that suggested we should encourage the business community to make significant investments in the training of people who are employed by them, and I believe that to be the case and I think I expressed a confidence that the business community was willing to do that.

We are looking at restructuring the training system and particularly the apprenticeship programs that are available. As I expressed yesterday, I have some empathy and some understanding of the apprenticeship program in the province. It certainly directly affects the people I've worked with most of my life and so I have, I think, a personal understanding of it.

As far as the funding and tuition are concerned, I'll ask the deputy to speak to the supports that are available for students next year. We are proceeding as quickly as possible with income-contingent loans. I hope you won't consider this to be a partisan shot when I say that I think one of the decisions made by the former government that may not perhaps have been wise in the fullness of time is to abandon the cooperation with the federal government in searching for an income-contingent loans package because I believe it is critical for access to students in the province. We are moving as quickly as we can. We've increased supports for students next year and I'll ask the deputy to speak to that.

If you look at the tuition fees that are charged in Canada for colleges and for universities, you will find that our tuition fees next year will be in about the middle of the range of tuition fees that are charged by institutions, I believe, that are superior and I think that the post-secondary education system in Ontario still represents an enormous bargain and a real value for the undergrad and graduate students who are enrolled in them. I think they're extraordinary institutions and they represent a real value to those people.

I'll ask the deputy to comment on the supports that are available.

Mr Dicerni: The ministry is looking very closely as to how the institutions will adapt and develop the requirement that the ministry has put to them in terms of reinvesting part of the new tuition money. I think this is a very interesting new policy avenue that needs to be fully explored. We have put this at 10% to see how the mentality actually works and this is an area that I know the federation of students is extremely interested in. I met with them last week and we discussed this at some length

in terms of how this program could work, both in the short term, as well as in the longer term.

Secondly, I would also mention that in the November 29 statement there were two areas where the government increased its funding. One was firefighting in terms of forests and the other one was the OSAP program, which I believe received a \$35-million increase which speaks, I think, to the importance and commitment that the government places on student assistance.

The Chair: Could we just at this stage take a five-minute recess, being that your time has elapsed, and be back here in five minutes.

Mr Wildman: Sure. During the five minutes perhaps I can get the answers from Ms Andrew.

The committee recessed from 1039 to 1048

The Chair: Could we resume, please? We ended off with the New Democratic Party finishing their session and we'll have the Liberals resume.

Mr John C. Cleary (Cornwall): One of the big issues in eastern Ontario is the Cité collégiale post-secondary courses and that's the Cornwall campus; 163 full-time students, 600 part-time students, and from what I gathered it's all "...aimed at cutting 28% from the college's estimated \$40-million budget," said Michel Lyman, principal of the Cornwall campus.

"The move means the Cornwall and Hawkesbury campuses will offer only part-time programs for adults returning to school. Those include the provincially funded Futures program, the Ontario skills and development course, apprenticeship programs and other forms of continuing education." The president of the local campus says that "the Cornwall site will never be the same." I should offer too that that's a brand-new facility just built.

Many of the students who are there part-time will have to now get accommodation in other cities and many have no transportation. That is a big issue. We talked about that yesterday, the retraining, so it's kind of a conflict here of what the government is saying.

The other thing that's a big issue in our part of Ontario is that school boards tell me they're still in the dark about government funding cuts.

Hon Mr Snobelen: We've obviously spent some time yesterday and again today on the changes and the flexibility and options available to community colleges. Obviously the funding of community colleges depends on the provincial government, the federal government, training funds and tuition. There's much to be explored and discussed in the discussion paper that we're putting forward, particularly as that relates to accessibility, which is I believe the concern you're raising.

In terms of the school boards, we're cognizant of the timing they have in order to make decisions to reduce out-of-classroom expenditures next year, and we're meeting those requirements. The statement by the Minister of Finance on November 29 was, I believe, very clear and so was our clear commitment to consulting with boards and other people involved in education to make sure we worked in cooperation with boards to ensure the people of Ontario that we have an affordable system, and that we make the reductions in expenditure in out-of-classroom expenditures.

Mr Joseph Cordiano (Lawrence): I have a couple of questions. Minister, how many of your staff in the ministry will be handed pink slips by the time of our next budget?

Hon Mr Snobelen: I don't know.

Mr Cordiano: No idea?

Hon Mr Snobelen: No.

Mr Cordiano: So if the Minister of Finance discusses this with you, it really comes from his department as to how many staff will be eliminated, and you would have no say in the matter.

Hon Mr Snobelen: This is an administrative decision that will be made in concert, obviously, with the deputy minister and perhaps the deputy minister would like to address the question.

Mr Dicerni: In terms of the budgetary cycle, all ministries around this time of the year will start preparing their estimates which will be reviewed by Management Board in the context of the government's fiscal exigencies and requirements. Once decisions are made in terms of the ministry's budget for next year, we will be in a position to provide you with more specific answers in terms of the impact this will have on the people who are serving within the ministry.

Mr Cordiano: So you have no idea what the ideal number, or adequate number, would be for ministry operations. You haven't really assessed that. It's going to be subject to what the requirements are for deficit reduction.

Mr Dicerni: As you know, the ministry performs a number of different functions. We run, for example, provincial schools which are quite distinct from providing policy advice. The administration of the student aid program is quite distinct from some of the other activities at the regional offices. Obviously, every ministry must adjust in terms of re-engineering, in terms of changing some of its deliveries, in terms of improving its efficiencies on an ongoing basis.

Mr Cordiano: We keep hearing that, except we don't get a sense of what is a priority and what isn't a priority. That's what I'm attempting to establish, but we don't have the time to do that in the time that remains.

Let me ask another question with respect to within your ministry. Does there exist a department for privatization and a department for working with the private sector on privatization?

Mr Dicerni: There is no division, branch, team, working on privatization of the ministry or Americanization—

Mr Wildman: You don't need any help.

Mr Cordiano: You don't need any more help in that department, is that what you're saying?

Mr Dicerni: I was seeking to respond to two questions at once.

Mr Cordiano: So there is no such thinking going on in the ministry as there is in other ministries, such as Comsoc or Health.

Hon Mr Snobelen: Although this may make you aware of yet perhaps another failing of this minister, I, perhaps unlike my predecessors, am unable to tell you what thinking is going on on behalf of the many people who provide public service to the Ministry of Education

and Training in the province of Ontario, I can only tell you what my thinking is.

Mr Cordiano: So you have no knowledge of any efforts on the part of Management Board or the Ministry of Finance. Something may be going on in your ministry that you're not aware of is what you're telling me.

Hon Mr Snobelen: I'm sorry, to do what?

Mr Cordiano: Looking at privatization efforts within the government.

Hon Mr Snobelen: Privatization of government?

Mr Cordiano: There are services which are being considered to be privatized within various ministries.

Hon Mr Snobelen: I think this government's been very clear about the fact that it wants to make sure we centre on the core services that the public sector should be providing to the people of Ontario on behalf of the taxpayers and other people in Ontario. Your question, though, is about the Ministry of Education and Training or about the overall government?

Mr Cordiano: I'm talking about your ministry and what, if any, plans there are for any services to be privatized.

Hon Mr Snobelen: We've said publicly on many occasions—I'll continue to say it, and I think there are people in all three parties who would agree—that we need to continue to work with the private sector to make sure that there is private sector involvement in meeting the educational and training needs of the people of Ontario. I don't think there's any question about that, though I don't understand what initiatives would be privatized and where that question would—the context of the question. The deputy is about to say something.

Mr Dicerni: There are certain aspects presently, as you know, in the educational system, for example, the private and vocational schools, which one could deem to be a certain form of privatization of the education sector. The nature of the endeavours that we are involved in in terms of education, teaching and training fundamentally is a public good. At its core, it is a public good that is delivered through public offices.

I was reading recently they made an attempt, I think in Baltimore, where they turned over the management of schools to a private sector undertaking, and it proved to be not terribly helpful. After three or four years, I think, Baltimore pulled the plug on this. I don't know if that's what you're trying to get at.

Mr Cordiano: That's sort of what I'm getting at. It makes it clear then that you have no intention to conduct any of those experiments, shall we say.

Mr Dicerni: In terms of the core, I think the minister was clear on that. In terms of some of the delivery, let me say, of technology—

Mr Cordiano: My next question is about computerizing the classroom.

Mr Dicerni: That's not what I was talking about, in terms of not actually computerizing, but we provide some technology support to a number of school boards where we help them in terms of designing computer programs to help them with their personnel, their payroll and so forth. If you ask me would that be a core function of the Ministry of Education, I'd have to think about that, but as compared to some of the other stuff that we do which is

much more directly related to delivering the core service, I would say that the minister's answer is quite clear.

Mr Cordiano: One last question to the minister: He talked in almost idealistic terms some time ago about putting a computer for every child in every classroom across the province. That would be something that he would like to see come to pass some time in the future. Do you still hold that view and what are you doing to make that possible?

Hon Mr Snobelen: What I've said publicly on many occasions—and I believe you'll find a number of educators who would concur with this. I've been in classrooms with young people, and sometimes very young people, using information technology—computers are one form of information technology. It's very clear when you watch young people how these information tools can help young people in terms of their creativity and their engagement. It's obvious to myself and to other observers that information technology represents an enormous tool that will help people move at their own rate, their own progression. It's an important tool that we need to make an investment in and to investigate how we might do that.

1100

Mr Cordiano: Are you doing anything along those lines?

Hon Mr Snobelen: I'm concerned about the gap that exists between those young people currently who have access to information technology, at home or in other places, and those who do not, particularly where the information technology is not available to them in school. If you go across individual boards, you will find a very inconsistent approach to the use of information technology between schools.

We have continued along the course of pilot projects that will investigate the potential use of information technology. I've suggested publicly that we need to discuss this with the private sector, with the people in education and come up with some ways of making the investment that we need to make in Ontario.

One of the things I have been doing personally is visiting a variety of schools and having a look at what information technology systems are being used currently and how young people relate with those services and what might be in the best interests of the future of the education system in Ontario.

Mr Patten: I don't want to dwell too much, because we have talked about the preparation time, which is a consideration, because everything on the table is up for grabs and I'm sure you've received the representations that I have on the concern of the teachers. But I would like to further and advance a perspective on this time that is quite serious, and it's this: I'm not sure if the minister would agree, but I believe that the historical development of preparation time in good part has really been a negotiated arrangement that is acknowledging that much of the preparation work, much of the extra work, extracurricular activities, attention with students, in a very real sense is really a symbolic acknowledgment of the work that is done outside the classroom for teachers to be effective and to be responsible educators and responsible teachers in relation to their students.

I suggest, Minister, that opening up this issue of course then opens up the whole issue of all the extra time that teachers take. I recognize the government is looking for every possible avenue of cutting, and there is a window of cutting there that could be used, but I suggest to you that the ramifications of that would be, number one, we would probably lose somewhere in the neighbourhood of perhaps 7,000 teaching positions in Ontario.

I recognize there's a difference between secondary and elementary. When you're talking about time, you've cut that in half for the elementary school level, talking about acknowledging 20 minutes of time, which is a slap in the face to a lot of teachers. Actually at both levels, this would cause a reaction by the teachers, as being interpreted as an insult.

I would implore the minister and the government to consider other possibilities and that this particular avenue, while on the surface it may appear to be a fair one, is part of negotiated arrangements and indeed varies from board to board because, first of all, half of what is being done out of the so-called free periods—in most situations I believe teachers are on call, teachers are filling in and supplying for other teachers during that particular time, so it's not a purely free period as sometimes characterized when one wants to find ways in which to cut. I don't know if the minister has a short comment on that.

Hon Mr Snobelen: I won't use up your time restating what we've talked about already. I think that obviously we will respond to the suggestions that are made to us by the boards of education and other people in the education community, and this is one of the inputs from those persons. As we talked about yesterday, I think we recognize—certainly most people would recognize—the fact that teaching is a time-intensive profession. There are lots of elements required of teachers, and this is over a relatively short duration compared to perhaps other professions. So it's unique, there are very unique circumstances, and we hope to take all the circumstances into account when we prepare the recommendations that we're preparing.

However, I want to point out that the province generally seeks to legislate or regulate minimum standards in education across the province, as this government's required to do, and that we recognize the fact that there are different circumstances in different parts of the province. That's why the board structure that currently exists, to recognize those differences.

Mr Michael A. Brown (Algoma-Manitoulin): Just to make the minister perhaps a little more acquainted with an issue that's important in my constituency—we're talking about the restructuring report that I believe was issued last fall and we're talking about my particular constituency along the northern shore of Lake Huron—as we look at that, you would recognize that there are four boards, I believe, that will be amalgamated. They stretch a distance that is from—to put it in some perspective, it would be somewhat like going from here to Windsor in terms of school boards. They're all rather small school boards in terms of student size but very huge in terms of geography.

I have two questions relating to that. The first one is, how in the world could this ever work so that both stu-

dents and ratepayers have some sense that it's not only efficient but that they receive a better education and the public has more input? The second question—I'll ask the first one first and then see what you might respond to that.

Hon Mr Snobelen: I believe you'll be looking at the interim report of the Sweeney commission.

Mr Michael Brown: Yes.

Hon Mr Snobelen: It is obviously an interim report. We expect the final report very soon. The interim report was designed to submit to the people of Ontario the preliminary findings of the commission. In doing so, I believe that the people serving on the commission sought to engage in a discussion. My understanding is that there have been thousands of submissions to the commission from the time of that interim report till now and that they will be responding to that in the final report.

The number of boards is only one of the considerations of the commission, and sometimes I think that's missing in the reporting on what the commission has talked about. They're also looking at the duties of the trustees, which is something that the royal commission recommended, and they're looking at some of the cost factors in education. I'm looking forward to the full report. I believe all of those items are of interest.

I also want to point out that this is obviously a commission that was initiated as a result of the royal commission and by the previous government. When we assumed the responsibilities of governing, I want to say again publicly, we did not discontinue all the programs and initiatives of the previous government. We sought to use those to answer the questions that were being addressed by the previous government, and I think it's been a responsible move.

Mr Michael Brown: I'm bringing this up more just for your personal information. I realize the final report will be coming out.

The second question that relates to that almost quite directly when we talk about governance of school boards is that my constituency and the next one, because it actually includes a good section of Mr Wildman's constituency also, have a very large first nations community. Particularly if you look at the area of one school board, the Manitoulin school board, the native population would be somewhere between a third and 50% of the students going. As you know, their tuition is paid to the school board by the various first nations, being money supplied from the federal government.

On the issue of governance when you get into a huge area, as we're talking about, in terms of how first nations are represented on boards, there's always an ongoing concern that there are either too many or too few, depending on what side of the fence you happen to be on, and how that can be addressed when you're representing such a sizeable population of students who need real representation at the school board table.

1110

Hon Mr Snobelen: There is obviously a variety of issues that surround aboriginal governance, and particularly the relationship of aboriginal governance to education, which, as you pointed out, involves ultimately some

federal supports. I concur with you that these are difficult decisions that face local communities.

We are now facing, both federally and provincially, responses to aboriginal governance issues that involve both education and all of the other services that are provided. I know that there are very unique services required by the aboriginal community in relation to training and post-secondary education as well. I've had a chance to meet with some of the leaders from those communities and to address these with them, and that's an ongoing dialogue.

Mr Michael Brown: Just a quick comment: Perhaps before the final report of the commission's in, I would invite you to come and visit those various boards in the area so that you have some sense, because quite frankly this is quite different than Toronto. As my good friend the member for Algoma said to me, they're all poor boards. They're boards that have worked very hard with cooperative ventures to find ways of lowering administrative costs. I don't think if you compared those across Ontario, you would find a level of administration that any of us here would deem unacceptable.

Hon Mr Snobelen: I've spent about 25% of my time in schools from September till now and I've attempted to get into a variety of different circumstances around the province. I am working now on a plan to get into some of the isolated boards. I concur with your observation that boards serve a completely different function in different parts of the province. They clearly have different problems in different parts of the province.

In the GTA we have accommodation problems in some. In more mature parts of the GTA we don't have accommodation problems. We have ESL problems or challenges in parts of it. In my home riding, Mississauga North, we have the Peel board and the Dufferin-Peel board. In the south of those boards they have very mature communities and no capital problems. In the north of that same area they have wildly growing communities and so they have completely different problems inside one jurisdiction.

What I can say is that I will continue to be in schools. I will continue to try to be in the boards that have different problems. We acknowledge, I think everyone in this room would agree, that there is a difference in the kind of challenges that face each and every board in Ontario.

Mr Michael Brown: I was just inviting you to come and see our particular boards.

Mr Patten: Minister, what is your definition of "compulsory education"? This was used of course by the Premier to say, "We will be supporting what is compulsory."

Hon Mr Snobelen: The Education Act makes very specific requirements of the education program in the province of Ontario. There are non-compulsory subjects, non-compulsory fields of study—

Mr Patten: And that's another field, not in what would be compulsory for—

Hon Mr Snobelen: Those are defined in law, my understanding is. Do we have representation here that could tell you that?

Mr Patten: Let me come at it this way: What's the difference between core programs—these are all terms

that we're hearing being thrown out, obviously, when you're searching for resources or when you're looking for ways to cut. You have made a statement that, "We will not touch the classroom." There's a core program, there's a core curriculum, there are definitions here of "core." I'm trying to get a handle on that.

Hon Mr Snobelen: I think this is something that previous administrations and previous governments in the province have struggled with, which is one of the reasons why the Working Group on Education Finance Reform was initiated, to examine that subject, examine core cost subjects. I'm looking for their report. I think it'll bring some clarity to the whole subject.

Mr Patten: You say that you would not touch funding in the classroom. When you say "classroom," do you mean literally the physical environs of a four-walled physical space or do you mean the experience of a student that obviously involves being outside the classroom from time to time?

Hon Mr Snobelen: We're going to rely on, I believe, Mr Sweeney's report, which will have something to say on this subject; we're going to look for the education finance working group to report, because I think they'll have something interesting to say on this subject. These definitions are something that previous administrations have struggled with. We believe those will be informative. I can say this, that if you ask the question in its opposite, what is not a classroom expense, perhaps there are some rather obvious items that are available. We'll be instructed by those two committees that are reporting shortly, but that doesn't preclude us from looking at things that are obviously not directly classroom related. Those would be administrative functions and some of the supports to administration that are involved in education.

Mr Patten: Of course, the problem with economics driving education is that the definitions become driven by economics, not necessarily by the best pedagogical suppositions of education, which is to say that when you try to cut the realities of the money you're looking for, then you're going to try to manipulate the situation to be able to say, "There, you see, I've left classroom education intact."

I suggest to you that there will be redefinitions in the province about what that means, and it'll be different from what it was before. I would offer you the potential worry of many people in this province who say that they are worried about accessibility; that if, as a good educational experience, I believe as you well know, it's acknowledged that there is a great deal of learning that does not happen within the physical classroom situation, that there are field trips, that there are seminars, that there are visits to other places with teachers, with groups, that are part of the educational experience and the growth and development of our young people, many people worry that this concept of education will have shrunk and been driven by economic requirements and the imposed requirements from the Treasurer of what you're asked to find in education.

I hope it will not be a sad day, but I tell you that people are extremely worried, which is not to say that one should not find resources and continue to look for being as efficient and as effective as possible in educa-

tion. The question is, with those resources, what do you do?

Hon Mr Snobelen: We're looking forward to those reports that will help us with these definitions, but I think that if you take even the most extreme estimates of what might be available initially in reducing out-of-classroom expenditures, you're looking at something less than 10% of the total system cost. I think most people across the province, in their own homes, in their experience in their work environment over the last decade, would find a 10% efficiency gain, if you will, to be not extraordinary, to be very ordinary. In fact, families across the province have certainly experienced those kinds of changes in their economic conditions and have treated them as quite a normal event over the past decade.

I think that people, when they look in their own experiences, their experiences professionally and their experiences personally, would not think it untoward to be looking for an increase in efficiency, particularly out of the classroom, that represents something less than 10% by anyone's calculation.

The Chair: Thank you, Mr Minister. We'll move to the NDP, and my understanding is that this would be the last encounter with the minister in questions.

Mr Wildman: I hope it's not our last encounter.

Hon Mr Snobelen: Mr Chairman, is that forever or for today?

The Chair: No, that's for today in the estimates, and then we will move to the voting afterwards.

1120

Mr Wildman: I just want to express my thanks to Ms Andrew and her colleagues for giving me some responses to the DeVry situation during the break we had and to indicate to the minister that I understand the problems the ministry has been experiencing in that regard and the effects it's had on students and their OSAP and so on. I look forward to this matter being resolved by next week so that the February students' intake will not be affected the way the October students' was. We'll leave it at that.

There are two matters I'd like to deal with in the last portion of time we have. I'd like to follow through with the comments on apprenticeship that we alluded to before, and just before I do that I want to put something on the table with regard to university funding. I have a letter that I received from the Council of Ontario Universities, Bonnie Patterson, the president. I just want to refer to a couple of things that Ms Patterson says in her letter.

"Before further cuts are even made"—this was in October, of course, before the November announcement—"it should be recognized that universities are receiving less money for each student enrolled than they were in the 1970s, in constant dollars, about 12% less than they received in 1977-78. This erosion took place at the same time as funding for programs in other publicly funded sectors increased substantially." That's of course under three different governments.

"Universities in Ontario directly contribute over \$4 billion to the economy each year. For every one dollar in government funding we receive, we return four dollars to the economy." Further, she refers to a study done by economist Dr Atif Kubursi, who's at McMaster University. "The Kubursi study shows that a 20% cut in total

grants would represent a loss of \$376 million in operating budgets. This would impose massive dislocations and high adjustment costs that would translate into a loss in salary and benefit expenditures of more than \$300 million. The ability of Ontario's universities to contribute to local economies will be greatly diminished"—and she emphasizes that statement.

"The spinoff effects for business would be an estimated \$1 billion loss in sales. The employment losses, however, would be even more staggering. The equivalent of over 14,550 jobs will be lost." Further, "Total tax losses are estimated to be over \$317 million to all three levels of government combined. This includes losses of property and business taxes to municipal governments which would further constrict the local economy...."

"Regionally, the impacts are significant. In the Metropolitan Toronto area, the economic loss resulting from the expenditure reductions represents almost \$390 million. Those institutions in the north face a collective loss of \$54 million. Institutions in the eastern region face losses of \$232 million, over four times greater than the northern region. In southwestern Ontario, the loss of \$386 million is almost equivalent of that in Metropolitan Toronto. This is a collective economic loss of over \$1 billion."

I'd just like to ask in regard to this, is the minister or his staff familiar with Dr Kubursi's work in terms of the economic impacts of cuts in the university sector and how they affect the greater community, and also how they affect revenue to government in relation to losses in purchases by the institutions and to the spinoff impacts of job losses and salary and benefit losses?

Hon Mr Snobelen: Universities take up and are active in a wide number of areas that affect life in Ontario and they're also involved in a very dynamic part of the world. Post-secondary education is very dynamic. I won't argue with the numbers. I know the deputy has something to contribute to this conversation and I'll allow him to do so.

However, I often find some of the numbers that are presented by people in various sectors to be interesting. I expect if there's a \$4 return for every \$1 invested, the conclusion one could reach is that the economic woes of the province would be over if it simply took all of its huge deficit, doubled it and invested it. I don't think that would be a logical conclusion or one that would be supported by very many people who study the economy. So I think that the conclusions that can be reached by some of the numbers that have been presented by people might be erroneous. I'll allow the deputy to make a comment here.

Mr Dicerni: One, I think there's a recognition on the part of the ministry that the challenge that is faced by universities, executive heads and so forth, is quite significant. There is also recognition that Ontario universities, if one refers to the common view as well as indicators such as Maclean's, are some of the best universities in the country, and it is something that the government is keen on sustaining.

Secondly, in terms of jobs, we have been working quite closely to the degree that we can with all executive heads and been monitoring the actions that have been taken since the November 29 announcements and have

met with a number of individual institutions. Most of them, I think, have taken a very intelligent and as rational an approach as possible. For example, in Waterloo, as you may know, they have put together a retirement package, perhaps similar to the one that was developed for Hydro, in order to have a gradual easing—

Mr Wildman: That's helpful, but I think Dr Kubursi's argument is what the spinoff effect in the community will be. I understand the minister's response, but my question really relates to, has the government, in conjunction with the universities or on their own, looked at the spinoff results and related that to the government's commitment to create jobs in the province? If the spinoff from these cuts means actual job losses, not just in the universities but in the community, in the businesses that supply the university, that provide services for the university, provide materials for the university, how does that then relate to a commitment to create jobs when in fact what you're doing is having the opposite effect?

Hon Mr Snobelen: There are two parts to that observation. We've had inputs from a number of people, from economists and people who study these subjects, that would not draw the same conclusions as those that you have presented today, and I won't argue the merits of either. I think there is obviously a lot of opinion on this subject.

I think there is little doubt that there is an effect on the future of Ontario, that there's a reason to maintain and to cause to be maintained post-secondary institutions that are excellent, that have high-quality programs. There are the direct daily operating effects on local economies by universities. I don't need to remind you that those direct daily operating expenditures are a dynamic and have changed over time and will change inside of communities. However, I do certainly concur with the fact that we need excellent universities. No one's arguing that point.

We do though need a very fulsome conversation on the distinctions between public research and private research. That's something we have been engaged with now with different institutions, and I believe that's an evolving and emerging relationship between the private sector, the universities and the taxpayers of different constituencies. We need to have that conversation, it seems to me, to develop a research program that works for Ontario.

Mr Wildman: I wanted to raise that, but I don't have time to go into the question of research.

I would like to move to the other matter I mentioned that I would close off with. Obviously, what I've just said in terms of Dr Kubursi's work could be applied to the cuts at the college sector, to the cuts at the boards of education level as well, and the spinoff effects and what that means in the community, and I think we should keep that in mind whenever we're making these decisions.

Turning now to apprenticeship, I noticed in your New Directions document that was produced in 1992, to which I referred earlier, it says on page 29: "There is no need for more studies and reports—the problems are obvious and serious. What is needed is the political will to face the entrenched interests...." Further, it says, "...we must recognize that apprenticeship training will lead to lucrative and fulfilling careers, and represents important career options for young people."

1130

I'll use one example of what I said earlier about the possibility of apprenticeship programs collapsing. At Sault College in Sault Ste Marie, the heavy equipment mechanics program is slated to be discontinued and perhaps transferred to Sudbury; at least the students, if they want to take it, will have to go to Sudbury. As I mentioned earlier, Mr Woolley from Algoma Steel is here with us, and he has expressed considerable concern about this. The heavy equipment mechanics at Algoma Steel—the workforce average age is 45, and it's obvious that we're going to need new tradespeople very soon. Algoma will retire 195 tradespeople by August 1996; 400 more people will retire from other trades areas by the year 2000.

Algoma currently has four—just four—apprentices attending the Sault College program, and five will attend when they return to work; in other words, there are five on layoff and when they get rehired by Algoma Steel, they will attend the program. Algoma's maintenance program employs 1,500 people and consists of 27 trades; 60 mechanics have all attended Sault College at one time or another with ongoing night courses and so on. These people will be forced to go out of town if the programs aren't available. This will deter potential apprentices who have families and who have financial requirements to meet, and the training facilities are not available for high school graduates.

There's another question in terms of this particular question: What does it mean for safety, if we aren't training the people we need? "The majority of mechanics possess a class A licence. This licence is compulsory and coincides with the heavy equipment licence. Many local garages in the Sault employ mechanics who repair and maintain thousands of trucks, trailers and buses. These mechanics do government inspections for safety regulations that keep our highways safe," and we all know the issues around trucks and truck safety that we've seen across the province. How are we going to train these people if the programs aren't available?

The federal government, as mentioned earlier, is also cutting its apprenticeship funding. Algoma Steel has experienced this over the last few years, so what have corporations like Algoma Steel done? They've essentially raided each other, and more often than not, they've gone to Europe to get the tradespeople they require. They go to Germany or Britain and import them on five-year contracts—Algoma Steel has done this a number of times—when we have young people who are looking for work and looking to make a contribution.

Why are we cutting back on apprenticeship programs now? The cuts that are being imposed, for whatever reasons—which could argued about, but I'm talking specifically about the apprenticeship programs. Why would we be doing that when we need to have these people and we need to have the programs available for them so they can get the training they need? We need to be addressing the concerns of young people, the unemployed workforce, and what we're doing now is going to mean that in the very near future corporations like Algoma Steel are not going to be able to get the tradespeople they require locally and will have to do what they've done in the

past—go elsewhere—when there are lots of young people who need employment locally.

We also run the risk that perhaps we won't be able to meet the requirements of regulation 611 of the Highway Traffic Act in terms of safety inspections in our area in local garages because they won't have the trained heavy equipment mechanics available. It just doesn't make sense to me, even in terms of the government's own stated commitments, that we would be cutting back on these kinds of programs.

Hon Mr Snobelen: I want to ask Joan Andrew to address some of these issues, because she is very learned in this area. I would like to make a couple of observations first, though.

One is that we are committed to reviewing the training programs available in Ontario and will be making that report, as we've said earlier, later on this spring. As you've mentioned, there has been a federal withdrawal of funding from apprenticeship programs, and that concerns me. I have and I know you have attempted to keep in mind that there is one taxpayer. The federal government certainly faces some difficulties in this regard, and I try to not participate, as I know you do, in what's sometimes described as fed-bashing.

Mr Wildman: No, I haven't engaged in that, I don't think.

Hon Mr Snobelen: I've attempted not to. That said, I think there are some disturbing trends in this regard. The employers and employees of Ontario who bear the brunt of what is basically—the unemployment insurance program in Ontario, for instance, transfers about \$4 billion out of this province to employers and employees in other jurisdictions, and that's difficult to maintain on an annual basis. I think it does a disservice, in some cases, to employees here in the province and to their opportunities. I believe there are some perhaps injustices in that regard.

I have encouraged the former federal minister to have a look at that; I hope the new federal minister will do so. I hope the revisions planned for unemployment insurance, what's now called employment insurance, will address the very serious drain from employers and employees in this province. I think it's something we can't sustain at this time.

Mr Wildman: I guess the question is whether we at the provincial level are going to take up the void if there is one.

Hon Mr Snobelen: We're looking now at restructuring, and I'll ask Ms Andrew to talk to that directly. However, I want to make one more point. There's another problem regarding apprenticeships that you haven't raised, and I think it's a significant one.

I have been very directly involved in apprenticeship programs in the province in my previous career. I operated a trucking company in the greater Toronto area, and I have some understanding of the need for mechanics. Although the services are available from an apprenticeship and training point of view in this area, perhaps more available than in other areas of the province, we still have a problem in attracting people to the profession.

One of the significant things involved in the restructuring of our secondary school program is to make sure that young people have an appreciation of and access to co-op

education and other programs that'll allow them to regard the trades as a desirable career path for many people. We have problems right now in this area, where there is training available, in attracting people to those trades. I hope we can reverse that by having a revised secondary school program that really enforces the benefit of being involved in a trade. I know that was very clear when I was a young person growing up, and I hope to make it clear for the next generation.

Joan, do you have comments?

Ms Andrew: We are right now in negotiations with the federal government, because under the federal-provincial agreements on training, in-classroom costs for apprenticeship have generally been borne by them. They did cut that by \$20 million about a year ago now, and the government at the time decided it couldn't afford to take up the slack, so we have been dealing over the past academic year with a \$20-million reduction in the in-classroom costs of apprenticeship. We've been working with OTAB and the college system on different ways of delivering apprenticeships, some through distance education in northern sites, and some through multimedia approaches.

Mr Wildman: You need hands-on experience sometimes, though.

Ms Andrew: What we're talking about in the apprenticeship cutbacks right now is the classroom side of it. About 80% of any apprentice's time is in the workplace. I think the talk right now is about the 20%.

We're also working with the college system to look at what are known as day-release programs as opposed to block-release programs, because those are easier for employers and workers and in the end are less expensive, where people go more often but for shorter periods of time to the colleges.

There is a variety of things we're trying to do within the existing apprenticeship system to make the classroom side of it more efficient, cost us less. The federal government has committed to withdraw from this area, but we're trying to negotiate the timing and pacing of that.

1140

Mr Wildman: I appreciate that. I would like to hear more at some point about what's happening with those negotiations and what the contribution of the private sector might be in the whole process.

I would like to pursue another thing in this regard: the specific heavy equipment program as it relates to Sault College and whether it is going to end up at Sudbury, and what that means for businesses and for young people and for apprentices in Sault Ste Marie and Algoma district. I'd like to get some specifics on that, and I don't expect you'll be able to give it to me offhand.

The experience of 45 years of age as an average among the tradespeople at Algoma Steel is not that unusual in our economy. It's very alarming, because what it means is that we are not training people. Instead of having a cross-section of some in their 20s, some in their 30s and some older, we've got a very high percentage of tradespeople who came from Europe a long time ago, and we haven't trained people all along.

That's partly because there hasn't been the commitment by the private sector, as well as the public sector,

and there haven't been people hired. But it also means, now at least, that we are facing an opportunity in a few years. These people are going to be leaving the workforce in a few years and we're going to have to train people to replace them. We should be looking at how we do that.

Ms Andrew: Just to repeat a little of what the minister said, we are looking, as part of secondary school reform, at how to make better bridges for students who don't go on to post-secondary education to go into further training in the workplace. One of the statistics that has been a little nervous-making for those of us involved in apprenticeship is that in the last 15 years the average age of entry into apprenticeship has gone up by 10 years; now the average age of people coming into apprenticeship is considerably older, so it's a choice people are making later in life. We need to help that choice be made earlier, directly out of school. That's our societal value of valuing trades education.

Mr Wildman: Exactly. It's also related to how secondary schools prepare students, and I know the minister made a comment on that.

Ms Andrew: Yes, and we are working on that as part of secondary school reform.

Mr Wildman: I'd just like to thank you for that and to close off my contribution to the debate by saying that I appreciate the comments and responses from the minister's staff and the exchange I've had with the minister. I do have a significant difference of opinion, which is a sincerely held one, with the minister in terms of how we should design a quality education system to meet the needs of our society as we go into the 21st century and the need to be cost-effective in doing that.

It's more than a question of emphasis but a significant difference of view that, I'll admit, may not relate just to my different political position but also my own background, as opposed to the background of the minister and his colleagues. I must express some bias, having been an educator myself and being married to one.

I do think that in striving to produce a system that meets the needs of society and meets the needs of students, we must also value the contribution made by educators and recognize that they provide a significant service to their students certainly, but to society as a whole, and occupy a position of trust which is one that should be valued perhaps as greatly as those who are entrusted with our physical and mental health and the physical and mental health of our children.

The Chair: Thank you very much, Mr Wildman. We shall move to the next phase, asking for the vote to be taken.

Hon Mr Snobelen: Just prior to voting, Mr Chairman, I'd like to take one moment to thank the people who have been involved in this process; on behalf of my colleagues to thank the ministry staff for their contribution and to thank all the people who have been involved in this process.

The Chair: Thank you, Minister. I also would like to thank the ministry staff for being here and making their contribution.

Now we shall move to the votes. We have three different votes to take. Shall votes 1101, 1102 and 1103 carry? All in favour? Carried.

Shall the estimates of the Ministry of Education and Training carry?

Mr Wildman: These numbers are not particularly relevant to what's happening, but we should pass them.

The Chair: Carried.

We'll adjourn until 1:30, and we'll start Community and Social Services estimates at that time.

The committee recessed from 1147 to 1334.

MINISTRY OF COMMUNITY AND SOCIAL SERVICES

The Chair: May we begin, please. I'd like to commence estimates on the Ministry of Community and Social Services. There will be an allocation of 15 hours. I understand, Minister, you have an opening statement. Welcome to the committee, and we welcome your staff also to this committee. You may begin, sir.

Hon David H. Tsubouchi (Minister of Community and Social Services): Mr Chairman and members of the committee, this is the first time a Minister of Community and Social Services representing a Progressive Conservative government has appeared before the committee over the last decade. I hope to be able to answer some of your questions with my remarks in opening.

For almost a year preceding the June election, our party was clearly on record with its agenda for fundamental reform. We called that agenda the Common Sense Revolution. It outlined the approach we would take to bring jobs, hope and prosperity back to Ontario. On June 8 the people of this province agreed with that plan. They agreed with us that government was not working any more and that the system that had been in place for the last 10 years was broken.

The time has come for government to make the same types of changes that most Ontario citizens have had to make in their own families and in their own jobs. If we are to fix the problems in this province, then government must be prepared to make some tough decisions.

I'm not talking about tinkering, about incremental changes or even about short-term solutions that previous governments had tried. What I'm talking about is taking a completely fresh look at this ministry and to fundamentally reform the way it works for people, to make it work for people, and the time for this is now.

To support significant change in the service system, the ministry's own business will have to change. The economic and social environment requires the ministry to re-examine its role in service delivery and the number and nature of the services it funds.

My ministry has adopted a clear vision for the changes which we have already started to make. That vision is an effective and affordable service system which supports and invests in families and communities to be responsible and accountable, where adults are as independent as possible, a society where children are safe and where support is provided to people most in need.

As I have said, we've already started working to make that vision a reality. Later, I will be describing some of the steps we have already taken. But we also know we have much more work to do. With our vision as a touchstone, our work will be guided by some fundamental principles.

The first is shared responsibility. We believe that individuals, families and communities have a primary responsibility to provide for themselves. Social services should promote self-reliance. They should supplement, not displace traditional supports in the family and the community.

The second principle is accountability. The ministry will set clear expectations for the results. We will target resources to programs and services which have proven their effectiveness.

The third principle that will guide our work is efficiency and rationalization. The existing system is costly, inefficient and full of duplication. We have to deliver the greatest possible benefit with available resources. Our funding will be focused on service to people and not on organizations. Resources will be allocated to discourage duplication, and services will be based on community needs and managed as part of an integrated system.

Finally, perhaps the most easily understood of our guiding principles is fairness. Social services will be provided to people in need across Ontario with fairness and sensitivity, respecting the diversity of our people and the varied needs of the province's regions.

Our vision and guiding principles will help us create a system that's quite different from the system we inherited. We will become a ministry that concentrates its resources on the wellbeing of the individual in need, a ministry that manages an effective and affordable social service system, and it will be a ministry that manages a system, including social assistance and child care, that is based on incentives for economic independence.

"Affordable" is a key word, as my colleague Ernie Eves said in his November 29 economic statement. Every hour this province is spending \$1 million more than it takes in. To allow that to continue would be to rob our children of their futures.

We are not alone when it comes to recognizing the need for change. Throughout Canada and worldwide, governments and taxpayers have finally come to realize that the debts they are carrying will soon cripple their economies, throw hundreds of thousands of people out of work and place their citizens at risk.

At the national level, the federal government has served notice on the provinces that transfer payments will diminish substantially over the coming years. This means that on April 1, 1996, Ontario will start facing further reductions in transfer payments under the Canada health and social transfer system.

It is estimated that the reduction of cash transfers for our health, post-secondary education and social services will amount to \$2.2 billion in 1996-97 and 1997-98, depending on the formula used.

Obviously, with our debt load and the reduction in federal transfer payments, we cannot continue to spend our way out of problems. If money solved the issues for social services, we would be experiencing an unprecedented level of wellbeing in Ontario. Over the last five years we have seen a growth in this ministry's spending like never before in its history. What has happened is that we no longer have an affordable system of social services in Ontario.

1340

An example of this is our welfare program. In the last 10 years, the NDP and Liberals have spent about \$40 billion on social assistance, which is about 40% of the current provincial debt load. During that decade, through good economic times and bad, the number of people on welfare kept rising.

In 1985, for example, about 476,000 people relied on welfare in this province. When I became minister last June, that number had risen to around 1.3 million. Put another way, taxpayers were supporting one in 10 people in Ontario with a welfare cheque.

In dollar terms, the numbers are truly staggering. In 1985 we spent \$1.4 billion on welfare. By the end of the 1994-95 fiscal year, that total had risen to \$6.6 billion, which is nearly \$3 billion more than the ministry's entire operating budget for 1988-89. What did the taxpayers of this province get for that \$6.6 billion? What they got was a system that encouraged dependency. What did people on welfare get? They got a welfare trap that is extremely difficult to escape.

We want to change that. We want adults to be as independent as possible. We want communities and families to be responsible. Our welfare reforms have mirrored our vision and have begun to break that cycle of dependency. We are providing an avenue of escape for those trapped on welfare and we are promoting opportunities to give people a renewed sense of personal responsibility in their lives through work. It is an enormous task but it is not going to be accomplished easily. But if we do nothing, the human consequences will be greater.

That is why this government has taken the following major steps to totally refocus the welfare system in this province so that it serves only those truly in need and serves them in accordance with the fiscal responsibility that the taxpayers of this province demand.

In his economic statement last July, the Minister of Finance announced that social assistance base rates would be cut by 21.6%, effective October 1. Up until that time, we had social assistance benefits that were 30% higher than the average of the other nine provinces, something we could not possibly afford any longer.

Today those welfare benefits are a more realistic 10% higher than the average of the other nine provinces.

Benefits for seniors and people with disabilities on FBA were not reduced. We are presently creating a new guaranteed support program that will move seniors and people with disabilities out of welfare, where they should never have been in the first place.

Welfare is a transitional program, whereas seniors and people with disabilities need long-term support. The guaranteed support program will give recipients a more secure future. We will make sure that those members of our society continue to have their income supports protected. This is in keeping with our vision to provide support to people most in need.

Although we reduced the amount of the welfare cheques, we gave people the opportunity to earn back the difference between the old and new rates. Many of these clients can earn back that difference by working only about six hours a week.

We think that being able to make up the difference is an important first step for people to get off welfare and back into the workforce. After all, any job is a good job. Even a part-time job to earn back the difference might help welfare recipients eventually achieve full-time work and free them from the cycle of welfare dependency. It gives them the opportunity to take more responsibility for themselves and their families.

Last August, after only two months in office, I announced a number of measures to tighten the rules surrounding welfare eligibility and measures to combat fraud in the system.

We believe that every penny that is paid to the wrong person is money that cannot be given to the truly needy. Our aim is to ensure that our welfare system will always be there when people need it. People elected us to restore this kind of faith in the welfare system and we are doing so with the following measures:

Sixteen- and 17-year-olds who decide to leave home cannot get welfare any more unless they undergo family assessments, live under adult supervision and regularly attend school or training.

A person living with a spouse, as defined by the regulations, cannot receive welfare as a single parent or a single person. Families with two adults living as spouses can apply for general welfare assistance and will be eligible based on a review of their needs.

Employable people who quit their jobs or who are fired with cause now have to wait three months instead of one before they can apply for welfare.

Random home visits by case workers are now a condition for receiving welfare, and the visits will be used to verify eligibility.

As a government, we believe we have to protect the social assistance system for those who truly need support. That belief lies at the heart of our efforts to address the issue of welfare fraud.

In order to minimize fraud in the welfare system as much as possible, I announced that:

We are setting up a special team to combat fraud province-wide. Their duties include investigating organized fraud, providing information to investigators in the field and keeping in touch with police and courts.

A 1-800 anti-fraud hotline—1-800-394-STOP—was also placed on stream throughout the province so people could report suspected cases of fraud.

We are accelerating improvements to our automated information-sharing with other provinces, the federal government and other Ontario ministries and municipalities. This will help eliminate the practice by many people of double-dipping into the Canadian welfare system.

I have been encouraged by the public response we have received from our 1-800 anti-fraud line; 63% of all allegations it received up to January 31 were of such a nature that they were referred to field offices for further investigation.

We expect that the eligibility measures I have just outlined will save Ontarians around \$100 million annually.

Already our welfare reforms are having some impact. Over the last seven months, we have seen a steady decrease in the number of people on welfare. On February 2, I announced that there were 5,933 fewer individ-

uals, or about 2,061 fewer households, relying on social assistance in January 1996. This is the first time in over 20 years that the welfare caseload has gone down in the month of January. Since June, when we assumed office, over 119,000 people have stopped relying on social assistance. I am very encouraged to see this seven-month decline in caseloads and social assistance costs.

Our policies have proven to be equally encouraging in relation to 16- and 17-year-olds. Since the end of September we have gone from 6,295 16- and 17-year-old welfare recipients to 5,107 at the end of December. That is a drop of almost 19%.

It is news like this that makes us confident to continue our efforts to reform the overall welfare system so we can help so many good people throughout the province get back to work. If we do not, then we would not be able to afford a welfare system.

But far too many people, far too many families remain trapped in the welfare system. This makes me more committed than ever to the mandatory work-for-welfare program that we promised the electorate leading up to the June 8 election. It is a program that supports our vision of investing in families and communities so they can become more responsible and accountable while giving individuals the independence they need.

Later this year, this work-for-welfare program will become mandatory for able-bodied people still on benefits. It will be called Ontario Works and it will demand responsible behaviour and individual initiative from people on welfare. For many on welfare, this will be the first time they have had any obligation to work or even look for work. Under the old rules, social assistance became a way of life for many people. Later this year, if able-bodied welfare recipients do not take an offer of an Ontario Works job or employment program, they will lose their entitlement to their welfare cheque.

Ontario Works will not be a government make-work program. It will be a program in which recipients will perform community service or other worthwhile activity, or enter a program designed to get them back to work, in exchange for their benefits. Our welfare offices will refocus their efforts to match recipients with available community service or training opportunities that will link them to a job. Ontario Works will not displace people in paid jobs.

We want to work with the public and volunteer sectors. We want them to join us to make Ontario Works a success. We will be asking municipalities, service groups and other non-profit organizations to be our partners and sponsor community placement opportunities for people on welfare.

In such a reformed welfare system, matching people with opportunity will be the key to success, just as it is in business. This will give recipients the chance to use their skills and to develop new ones by providing services for, or through, sponsors. We believe this kind of program can be meaningful, not just for the individuals involved, but for communities all over the province. The people who will now be working, perhaps for the first time in their lives, will be able to take the first step towards independence. You and I both know that there are hundreds of thousands of good, honest people in this

province who are just waiting for an opportunity such as this.

We are on track to get Ontario Works up and running. As we continue our implementation planning, we'll be listening very carefully to what the experts and the public have to say about our plans. The greater the involvement of the community, the greater will be our success in creating meaningful and useful work experiences for people on welfare.

There is no question that the best program for welfare recipients is a job. Under the leadership of the Premier and the Minister of Finance, this government has established a clear agenda and climate that will encourage economic growth and job creation, and that means current welfare recipients will soon be well on their way to productive lives back in the full-time workforce.

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I hope I have left this committee with a strong sense of commitment to fundamental welfare reform based on this ministry's vision and principles. This government was elected, in large part, because people in the province believed we were serious about fixing a badly broken welfare system. We're serious and we'll keep that commitment.

I would like to turn now to my ministry's relationships with its transfer partners and also working relationships with Indian bands and municipalities.

The current array of social services has built up over time without a comprehensive vision to guide it and in the absence of any incentives to rationalize it. There is too much being spent on agency and municipal infrastructure and administration at the cost and expense of providing direct service to the clients.

Our vision of an effective and affordable service system that supports the individual in need places an emphasis on shared responsibility among individuals, families and communities. Its primary purpose is to promote self-reliance. We have to move away from the interest group input and investment in the public sector towards input from taxpayers and public-private partnerships.

The reasons are obvious. At present there are administrative inefficiencies, there is duplication and people in need have trouble connecting with the services they need. They are often frustrated by the number of times they are assessed before they actually get service.

In London, for example, a community task force has reviewed the delivery of services in their community and has proposed creative ways to address such issues as confusion about mandates of the various service delivery agents; the resulting difficulty that people have finding out what is available and where to get it; and the direction of too many resources toward multiple—often unnecessary—assessments rather than front-line service delivery. These issues are not unique to London; they are pervasive in the delivery of social services across Ontario.

It is clear to many of us that we can no longer justify and afford the duplication and the territorial approach that has historically characterized the social service sector in this province; nor can we continue to support and fund the proliferation of agencies and service bureaucracies.

The resources we have must be focused on direct service to those in need.

This government is committed to improving accountability, efficiency and services, living within its means, and being accountable to taxpayers for ensuring that when we spend their tax dollars we are getting the best value for money. We expect, and we are committed to achieving, services that work better for people who need our support.

That means working in an efficient and productive way that focuses on real benefits to people in need, looking for ways to help people achieve independence and finding ways to ensure that those who can do the best job of providing effective value-for-money services do so. It also means that government has to stop trying to be all things to all people. I believe we have stifled the capacity of individuals and communities to take responsibility for themselves.

Over the years, there have been many efforts made by planning groups to streamline and integrate the service system, but we continue to experience a strong reluctance on the part of the system to change itself and restructure. I know we can make things better. In order to do so, we will be clear about what our core services are and we will define our expectations for those services, not in terms of process, but in terms of results. We will need to tap into some of the truly innovative and creative thinking in communities about how we can redesign Ontario's social service system to be better, more effective and focused on those most in need.

I do not think there are many people who would say, "If we were starting from scratch to build a social services system in Ontario, we would build it exactly as it is today." There are a great many things that need to be done differently, and a great number of things that can be done better. Therefore, it is incumbent upon us all to find ways to eliminate duplication among agencies. We have to rationalize services between and among all levels of government, including those within our own government. Reducing overhead and infrastructure in order to direct precious public funds towards the essential front-line services will improve services by ensuring people in need get the maximum benefit from those services.

With our communities providing leadership through innovative restructuring and cooperation, we can structure core services which are more focused on client-based services supplemented by communities and volunteer services.

Last July 21, I wrote to our service partners advising them that the ministry would be reducing their payments by 2.5% effective October 1, which would be annualized to 5% in 1996-97. This gave the agencies time to start putting their implementation strategies in place to reflect local priorities and to minimize the impact on individuals in need.

What we are doing is to make sure we spend the taxpayers' dollars on the individual and not necessarily on the agency that supports the individual. To make that system better and to ensure the system will be there for those who need it, we must define our core services and focus our resources on them. As we move towards a complete restructuring of the social service system, we

have to concentrate on those services that are needed the most. The end result will be to focus on outcomes for clients and to limit, as much as possible, the need for high-cost substitute care for children and vulnerable adults.

Obviously, some tough measures and decisions have been made, but I hasten to remind the committee that we will still provide \$2 billion annually to transfer payment agencies which serve around 300,000 throughout Ontario. We still have to find the most effective ways to provide support for people truly in need. I have urged our transfer payment partners to work closely with our area offices to identify opportunities and expenditure reductions that can be found through restructuring at the agency and community levels. At the provincial level, I have invited groups, such as the Ontario Association for Community Living and the Ontario Association of Children's Aid Societies, to name just two, to sit on advisory committees to provide their advice and input on how best to restructure our services.

We visualize an integrated social service system that is focused on helping the client. We see a system delivering better core services within community-based systems that invite our volunteers, our churches, our businesses and our non-profit enterprises in to help. This is the key to our principle of shared responsibility. Historically, Ontario's social service system was born out of the efforts of volunteers and church groups across the province. We will encourage that community spirit which has been so much a part of the province over the decades, a spirit that has characterized the very nature of Ontarians.

The third area I would like to address is the general area of our services to support children. As I stated at the outset, we must have an effective and affordable service system which supports and invests in families and communities to be responsible and accountable; adults to be as independent as possible; in which children are safe; and support is provided to people most in need.

In the Common Sense Revolution our party put itself clearly on record. We said government has an obligation to our children, whether that support is in the classroom or making sure that underprivileged children do not suffer because of poor nutrition. We also made it very clear that we would end the previous government's efforts to convert commercial child care operators to non-profit status. We promised that we would improve child care options for parents so they could choose the kind of care they wanted for their children, and to do this by making better use of taxpayers' dollars. Within weeks of taking office, we began to deliver on those promises.

We had inherited a system that had committed \$75 million to convert private child care spaces to non-profit. The NDP had spent \$52 million by the June 8 election and had not created one single new child care space. The first thing we did was to stop that kind of wasteful public spending. Then we lifted the ban on subsidies to private child care to start levelling the playing field.

With high-quality care and parental choice in mind, we have invited the private sector back into the child care fold in Ontario. We have levelled the playing field and put an end to the discrimination against private enterprise. We will continue to encourage the private sector to invest

in our child care system. Such investment can only help Ontario's child care system by increasing the number of spaces without additional cost to the taxpayer. We are giving parents a choice for their children, a choice that includes the private sector.

We will not allow something as important as child care to be sacrificed on the altar of ideology, nor will we succumb to the notion that suggests that only non-profit child care works best for children. We are committed to developing a child care system that offers parents and taxpayers quality, affordable child care options. That is why we are reviewing the overall child care system in this province. My parliamentary assistant, Janet Ecker, has set up a working group to review the system. Ms Ecker's emphasis is on parental choice and quality of service. I look forward to receiving her report.

As we move forward with our funding and policy decisions, we will want to work with the municipalities and other key players in the child care field so we can develop a better system of child care services despite the very difficult financial times. Notwithstanding this fiscal climate, we will be spending up to \$549.5 million on child care this year. This is a significant amount of money. This includes our continuing to make available funding for up to 14,000 Jobs Ontario Training child care fee subsidies, even though we will be funding the program differently from the previous government. We are reverting back to the standard 80-20 cost-sharing formula with the municipalities.

We will continue to encourage locally elected officials to do what is best for their communities and support social assistance recipients in meeting their child care needs while they work and train. Municipalities will be able to use the savings from the social assistance rate reductions that I spoke about earlier to fund their 20%.

Parents who do not use the formal child care system in the province, and that is a significant majority of all parents with children under the age of 13, are being helped by friends and neighbours and family. We cannot underestimate the value of this informal system as a responsible way to address child care needs.

1400

We are also very aware of the financial pressures that afflict our low-income families. That is why we are setting aside 71% of the child care operating budget, or \$389.2 million, to help low-income parents so they can continue to work and avoid reliance on social assistance.

In addition to this, we are examining the federal child care proposal that was announced by then Human Resources Minister Lloyd Axworthy on December 13. The recent federal cabinet shuffle has created some uncertainty on this issue. We are continuing to ask Ottawa for details. We do not know if the new Human Resources minister, Doug Young, intends to keep his predecessor's commitment.

Clearly, governments have to work together to support children. But local communities must also be a part of that effort. Our government will set the province on a course that allows everyone—parents, communities, the private sector and the non-profit and volunteer sectors—to join forces in helping children.

For our part, the government's commitment to children is clear. That commitment was spelled out in the Common Sense Revolution and supported by the voters throughout Ontario last June.

We said we will support nutrition programs for school-age children. In keeping with our principles, it will be a program driven by volunteer, community and corporate partnerships, rather than taxpayers' dollars, and the program will benefit from the efforts of Julia Munro, the MPP for Durham-York, who is now leading the government initiative aimed at promoting and encouraging volunteerism in Ontario.

We recognize that many children and families have complex needs that transcend the boundaries and mandates of any one ministry or service sector. That is why we are working collaboratively with other ministries and with the service sectors to promote an integrated children's services system.

For example, three ministries are investing in effective prevention programs for high-risk children. We have protected the funds for the Better Beginnings, Better Futures sites. This is a much-praised program that provides supports to children at risk so they can avoid some of the damaging and costly problems that could emerge in later years.

In concert with the Ministry of Education and Training and the Ministry of Health, this Better Beginnings initiative is serving over 4,000 families in 12 disadvantaged neighbourhoods throughout Ontario, providing family support and education at a time when it is needed most. Many of the children taking part in the Better Beginnings projects were at risk for future physical and mental health problems as well as poor school performance. The government is funding important research and evaluation of this model so we can learn about how an early investment in children will help communities in using taxpayers' dollars more wisely to prevent expensive treatment services later in life.

Both inside and outside Better Beginnings, this government wants to ensure that our children, wherever they might live and despite their social environment, have access to an effective, integrated and cost-efficient system of support services.

The ministry is accelerating its work with our social service partners so we can deliver services to children, youth and their families in a more effective and affordable way. Through directions established in the Children's Services Policy Framework, we want to improve access to local services and consolidate services among social service agencies to provide a more effective and flexible approach that will improve existing supports for children, youth and their families.

To give a quick illustration of that last point, in Kent county, service providers are working towards consolidating children's services into one agency. In London, service providers are developing plans for a comprehensive restructuring of services to provide simpler access to services and to ensure that those services go directly to those who need them the most.

Overall, we are working hard to make sure the children's services we continue to fund are well managed and that Ontarians are getting the best value for their money

from those services. In concert with our service providers, we are developing ways to make more efficient use of our funding of residential services. We are also setting provincial funding guidelines to identify reasonable costs for children who require different levels of care. This makes sure the taxpayers' investment in children is well protected and that the ministry and its service providers can identify the most effective ways of providing high-quality services.

Moreover, my ministry is in partnership with the Ministry of Education and Training and the Ministry of Health so that together we can coordinate our efforts to children in such a way that eliminates duplication of effort and allows government to deliver better services to children and families. Together, the three ministries are developing an integrated vision for services to children and youth. We are presently planning our future services in the context of preserving essential core services. We are working hand in hand to develop and harmonize the work that has too often been done in isolation in the past. This efficiency and rationalization of cross-ministry services is in keeping with our principle of delivering the greatest possible benefit with available resources.

One of the major concerns we have regarding children is their continued safety. Abuse and neglect have no place in our society.

In Ontario, there are 55 children's aid societies, with total budgets of \$363 million, that are legally responsible for child protection. As a ministry, we have set out our expectations for how the CASs will deal with the protection of our children from neglect and abuse. Those expectations are clear and are designed to ensure a quick response to a child in need of protection.

When a report of abuse comes to the attention of a CAS worker, that worker must see the child within 12 hours. If it appears that the child has been injured, there must be a medical examination within 24 hours, and that exam can be ordered without parental consent. All serious incidences of child abuse must be reported to the ministry within 24 hours. The standards include a clear direction on all the steps that must be followed during the investigation, including strict guidelines for documentation and supervisory involvement.

The Chair: Minister, we have run out of the 30 minutes allocated to you for your opening remarks. I don't know if the members want to extend the time, or they can read the rest if they so wish.

Hon Mr Tsubouchi: I think that will give you a clear vision, Mr Chairman, in terms of some of the questions that may arise later in questioning.

The Chair: But your time has run out, and that was the direction we were—

Mrs Ross: Would it be in order to put forward a motion that we allow him to finish?

The Chair: It was arranged before that the minister's statement would be 30 minutes. A motion now, we're going to run into—I don't want to say "wasting" time, but we're going to get involved in that.

Mr Michael Brown: Mr Chair, I'd suggest that perhaps the minister would like to finish but that the time be taken from the government party's overall time.

The Chair: Do you want to do that?

Mr John R. Baird (Nepean): We'd give agreement that the minister could take some time from ours.

The Chair: Is that okay with everyone?

Mr David S. Cooke (Windsor-Riverside): Well, Mr Chair, if that's what people want to do, but the minister and his staff and political staff know the rules around this place. If the minister wanted to get through all the points, he might have done what ministers normally do in their opening statements, and that is to play less politics in his opening statement. I'd just as soon get into the routine of—

The Chair: So we don't have unanimous consent. We'll just start the 30-minute rotation with the official opposition.

Mr Cordiano: I will say from the outset that I will try to be kind to the minister, and that's the best I can possibly do. It's quite clear from this document and from what I've heard so far that what the minister has explained to us in his remarks today and the vision of the ministry that he brings forward today is much like pabulum—it reads like that, it sounds like that. There isn't a whole lot to be hopeful for.

Frankly, I think you're engaged in the continuing ideological feeding frenzy that has been going on with this government since you took office. You, Minister, above all ministers, have to be the conscience of the cabinet. You have the greatest responsibility, in my opinion, for human beings in the government, and ultimately, what you're engaged in oftentimes can mean the difference between life and death.

I was never a minister in the government, but I can recall that when I was parliamentary assistant to the Minister of Community and Social Services, and I spent almost a year doing that, there wasn't a day that went by when I left my office and went home that I didn't take all the problems with me. And this was during 1987, when things were booming quite nicely. I can't imagine—and I hope you would answer this for me—that you're not going home at night and not thinking about the actions and the consequences you leave behind with respect to the measures you have or haven't taken.

Today we've heard in your remarks, this document before us, very little that's comforting by way of a vision that sets out to renew, to rehabilitate and to restore hope for people. It doesn't do that for me and I can't imagine that it would do that for anyone else out there who might be affected by what you're involved with in your ministry.

Sometimes I wonder if you're not running a barber-shop, because it seems all you're doing is cutting all day long. You're not running a ministry. I think you have to take an entirely different approach to what you're doing, because what I've heard from you isn't too different from what I heard from the Minister of Education, who was here this morning and at this committee yesterday. The language seems to be similar; the buzzwords are all there. I heard you say: "We're going to make this more effective and affordable. Ultimately it's good for people. That they should become independent is good for people. That they should aspire to more in life is good for individuals."

1410

No one would disagree with that. No one would disagree with achieving greater efficiencies. No one would disagree with making the system more accountable. No one would disagree with making the system more affordable. The question is, at what expense, and to whom? That is the real question.

Today I see on the front page of the *Globe and Mail*—I bought this in case you hadn't seen it—"Jobs Cut Despite Hefty Profits." These are blue-chip companies laying people off. We heard just some time ago that AT&T was about to lay 40,000 people off worldwide. AT&T is a company in a leading-edge industry. Supposedly those are the new jobs that are going to be created—supposedly. What do we have before us in Ontario and across the country? We have more large corporations shedding jobs and shedding workers.

Your entire program and the entire premise of what you've engaged in, particularly with welfare, is that there are jobs and opportunities out there for people but that they're not willing to take advantage of them. This is what you perpetrated in the last election campaign. I got it at every single door and I got it from just about every corner of my riding and anywhere I went in the last campaign: "There are jobs out there. People are not interested in working."

I have yet to meet a person who would not take a decent job if it were granted to them, if they were able-bodied and could meet the qualifications and the requirements, and I fail to understand how you can continue to perpetrate this myth, this fabrication, that there are jobs and that people can become truly independent without some form of assistance, some form of additional help.

I look back on my own life, and I'm sure you can describe this for all of us as well. At what point in your life did you succeed without somebody having been there to give you that opportunity to succeed, without someone at least allowing you to go down that path and giving you some help? I would ask anybody in this room that question, because I think each of us would answer in the same way. There must have been somebody along the way who helped us. I can say that for myself very clearly.

That's the reality of what you're facing in your ministry. The reality is that there are very few opportunities out there. There are some jobs; I don't doubt it. But most of the people looking for those jobs and most of the people on social assistance have been swept away by the technological changes we've witnessed over the last 10 years. That is a fact.

I do not see anything in your document that would suggest you're going to prepare people in any meaningful way for that reality. You talk about training. You talk about getting these organizations out there in the community—what did you say here, Ontario Works program? You referred to that, and that somehow people would be engaged in meaningful activity during the day which would better prepare them for the workplace. That's simply not true, Minister, and you know that. It's simply not true.

What we need are meaningful training programs, and let's face up to the reality that they're expensive. Let's begin to talk about what that would actually mean to the

taxpayers of Ontario. Let's not pretend, as you have—and you've engaged in this kind of debate over the last eight months, since the campaign and during the campaign and before that, in your Common Sense Revolution document, where you simply suggest that if people want to work, there is work for them. We now know that's not the case.

We know that for years this country has had to go overseas when there were shortages of skilled and qualified people, and perhaps in certain types of industry we know that we lack those kinds of skilled tradespeople, those kinds of people in particular industries where companies have gone overseas to get those workers over here to meet their needs. But we're failing miserably in terms of training people.

People at the lowest end, the least skilled, those are the people, perhaps, who are on social assistance for the most part. I'm not saying there aren't others and I'm not saying there aren't people on social assistance who would return to work and go back into the workforce and continue to make meaningful progress. I'm telling you, however, that the bulk of people on social assistance today need the kind of assistance that you're failing to provide if you want to get them back into a meaningful, contributing society where they have a chance to survive, where they have a chance to succeed because their skills have been upgraded, because they're engaged in meaningful work. I don't see that anywhere in your document which would suggest to me that you have that kind of a program.

What you intend to do is bring about the workfare program, which would simply sweep people under the rug or would make examples of them. I can't see where simply being involved in volunteer efforts will help people prepare for the technological world that we live in. That's useful, perhaps, to keep people busy, but I don't see how that's going to help them prepare for even more advances that are bound to be the case in the coming years, advances that technologically will leave a whole lot of people behind.

Minister, we want to talk, in the hours that remain, about what you're actually doing with the welfare fraud and snitch line. How much did it cost to set up? How much does the line cost to operate? How many legitimate cases have been investigated? How much have you saved to date in fraud reduction? How much welfare fraud exists today? These are the kinds of questions we're going to get into in more detail further on.

I want to ask you questions about the STEP program. You promised to allow anybody on welfare to earn back the difference between the current rate and the new lower rate without penalty or losing their eligibility. We know you made several mistakes, and what I've just described wasn't the case until December 1995, several months after you had a reduction in the welfare rate.

We want to talk about the numbers. You pointed to a reduction in the numbers and you want to take credit for that. Minister, I say to you that there are questions about those numbers. The veracity of those numbers has to be questioned. How many people have moved off welfare because their eligibility was cancelled? That's a good question to ask in light of the numbers having been reduced. How many of these cases, individuals who have been moved off welfare, have gotten jobs in that period

of time? If they didn't get jobs, where did those people go? Did they simply disappear or did they move away?

We want to know if you've been tracking this. If what you say is actually true, that the numbers have decreased, what's the logical answer to that? It would be that people have changed their circumstances: They got a job; they moved away. Those are the legitimate questions that need to be asked.

1420

On workfare, you were not very detailed in describing that. We want to know how this program is going to work. What are the procedures? If I were on workfare, would I receive a telephone call in the morning telling me that Mrs Smith down the road needs her lawn mowed and I'd better get over there? How many people will workfare employ to administer the program? What kind of training will these people receive? As I said earlier, if mowing the lawn is a precursor to what we can expect in this program, then I think it's an abysmal failure or will be an abysmal failure.

The LEAP program, learning, earning and parenting, what's the status of this program? Can you give us a definite time frame on it?

The homeless: Obviously the tragedies we've seen in Toronto over the last week or so, the three people who were frozen to death, I hope are not an omen of worse to come over the years in the future. You are responsible, Minister, for ensuring that would not happen in the future. I know you cannot control the lives of individuals on the streets of this city or of any other city in Ontario, but ultimately the government has to take a role in ensuring that there are patrols out there. There are volunteers out there who are doing a fine job now, but is there something more that we could do to ensure that there aren't people dying in the streets because they've frozen to death?

Seniors and the disabled: I understand you will take them out of the social assistance system. We want to know when the program that's called the guaranteed support plan will be up and running, the time frames associated with that.

Then we come to child care. I understand you're planning to make changes to the Day Nurseries Act. Are you going to change the child to child care provider ratio, the food inspection requirements that exist under the Day Nurseries Act at the present time? Why do you want to change the Day Nurseries Act in any case? What are your reasons?

Furthermore, you say that you want to go to the 80-20 rule in terms of funding, and then you talked about making the system more affordable. Affordable for whom? Is it more affordable for the Ontario government? Is it more affordable for municipal governments? I know that everybody I've talked to in the government would say, "Well, there's one taxpayer." Does that mean that this service will be more affordable to the taxpayers of Ontario? Show us how that's going to be the case and at what expense. Are you going to eliminate further the number of jobs in the entire field?

You've suggested that you're going to allow for more of the private sector involvement that was missing in the past. To what extent will you allow that and at whose

expense? Is it in the public sector domain that you will eliminate jobs and squeeze the funding? Those are the concerns we have.

At a time when you're talking about additional requirements for people on social assistance, for single parents to seek employment—literally forcing them to go back to work—you're eliminating child care spaces. There are a lot of questions with respect to that. All of these seemingly intractable differences and contradictory statements that you've made I think ultimately have to be answered by you.

We're concerned about children's mental health, what you're going to do. I understand you were going to make some comments at the end. We'll get to this in more questioning. I will wrap up by saying that we will be asking very specific questions about some of those areas and other areas. My colleagues will have additional questions, I'm sure.

Minister, at the end of the day we will hold you responsible, and I go back to some of the comments you made earlier, if the system is not more effective, and there are not fewer people, who have been taken off the system as a result of having moved to a job or improving their circumstances, because you cannot prove that here today. I hope you will, that in fact the numbers of people on social assistance has gone down because those people have improved their situation, not worsened it, or haven't simply moved away.

What you're implying is that at the end of the day, if there are not any more jobs being created and if the employment picture does not improve and yet we have a great number of people still on social assistance, we have to begin to ascertain where those people have gone to, where the gap is. How do we explain that? If there isn't an improving job climate out there, then what's happening to those people? What are the consequences of your actions?

We hold you responsible and will continue to do so for the most vulnerable people in our province, and that is your responsibility as minister.

The Chair: You have about eight or nine more minutes. If there are any more comments, I will entertain them.

Mr Michael Brown: I think one of the primary roles as the Minister of Community and Social Services would be to look at the kind of society that we're in, as Mr Cordiano mentioned. This is the ministry that has the most direct involvement, and I think many of us, certainly thoughtful people across the province, are asking what kind of Ontario are we going to have? Much of this is, frankly, beyond your control or beyond even Ontario's control. There are things happening out there in the economy of the world that are impacting on people everywhere in a difficult fashion.

We know, for example, that the lower-income category in this province is increasing. It's getting larger. We also know that there are more people in high-income groups than ever before, but that the middle class, the middle income, which has been the bread and butter of Ontario society for the last century or more, is diminishing.

As I listened to you read this statement I had this kind of surreal feeling that although we're saying all the right

words and there are all the right messages, there's no vision here about how we stop what's going on.

We know, for example, that over the last 10 years or probably longer than that, 15 years, people in middle-income categories, people who have maintained that, are just barely maintaining their standard of living. We know that people in the lower-income groups in our society in Canada are maintaining, but just barely, their standard of living, but they're doing it almost entirely by virtue of various government programs, whether they be federal or provincial or whatever. So those in the lower-income categories are becoming more and more dependent on government money because the wage structure that will support them is no longer there.

I am really quite surprised that a minister would come to talk about what Ontario society should be like, and how we're going to get there, and not talk about any of those factors and how we're going to address them. The idea of this government is simply that a rising tide will lift all ships. I don't think we can say that. We've been through good times, and somehow there are certain boats that don't go up.

I don't know how that happens and I don't know what the answers are, but I think fundamentally your government should be looking at those very issues. Certainly we have to look at the income support systems. Your view is, I think, a little bit silly in the way you're approaching it, but that's your view. I don't see how it's going to possibly achieve the goals that you intend.

Your Minister of Finance is saying: "We're not going to create any new jobs. Forget it. It's not going to happen. Maybe a couple of years from now, once the 30% tax cut gets into maturity and things really start to roll, things'll happen, but there will be no more new jobs in Ontario." That's what Mr Eves is saying next door. Somebody's going to end up on social assistance. It's going to happen. They're already there.

1430

We're trying to understand where this government is coming from in its policies. I sit here and listen to you talk about your income support portions of the document and I scratch my head and say, "Gee, I wonder how many of those will benefit from a 30% tax cut?" I bet none of them. I know none of them. None of them pay any taxes anyway. I know who will benefit from a \$5-billion tax cut, which will benefit mostly—"disproportionately," I guess is the way to say it—the upper-income groups in this province. Yet the people at the bottom we know have been—not just in Ontario, not just in Canada, but across the western world—maintaining their standard of living just because government has provided programs that supplement their incomes.

I'm just amazed. I'm looking over here for some kind of solution. As a matter of fact, I kind of like your workfare program. I shouldn't say that, I don't particularly like the program, but I like the idea. For a Progressive Conservative to come and say, "I will guarantee, absolutely guarantee, full employment in the province of Ontario to anyone who is willing to work; regardless of whether there's any job or not, everybody will have the opportunity to work," is something I couldn't even expect from my socialist friends over there. The promise of full

employment—I would think we're listening to Marx—and that's what you're doing. I'm so astounded by this stuff philosophically I get a little shaken once in a while.

Mr Cooke: Confused, Mike, confused.

Mr Michael Brown: You've known me to be that way, I guess, David.

This is going to cost some money. This has got all the right words, all the right rhetoric, and when we get into some more detailed questions on how it actually operates, I think we should be, if not totally outraged, at least amused.

The Chair: No further comments?

Mr Cleary: How much more time have we got?

The Chair: About four minutes.

Mr Cleary: I'd just like to talk about Youth Job Cop. What's the status of the project? How much will it cost? How many people will be eligible and how would the community be involved in that, what will be expected of them?

The other thing is, I was just wondering about the province-wide strike we're expecting, that may happen or may not happen; hopefully it won't happen. Can the minister tell us what services under his ministry are essential services and also what services they will provide if that happens?

In the provincial budget, we understand that you're talking about laying off a number of civil servants. We hear a lot of numbers. We've heard 10,000, we hear 14,000, we hear 20,000, depending on where you go. No one seems to be able to answer that. We haven't had much luck in the previous questioning of another minister. How many employees in Community and Social Services will be affected by the layoffs? Will the layoffs be a result of outright cancellation of programs? How will the downsizing affect the delivery of services?

I guess you have been to budget deliberations and I'd just like to know what programs you are defending most vigorously with the Finance minister for the 1997 budget. I'd like to also know how many times you've met with him on the provincial budget. We would like to know what programs the Ministry of Community and Social Services recommended be scrapped or downsized and also what programs you think will be there after the budget.

I know that most of us have met in our ridings with different groups and organizations, service clubs and volunteer groups, and I would just like to know if you could table a list of the local agencies that will be forced to close their doors as a result of your funding cuts in your previous statement and then again in the budget.

The Chair: The New Democratic Party, 30 minutes. After your 30 minutes we'll take a five-minute break.

Mr Cooke: I'm probably not going to take the 30 minutes, because I'd like to take some time this afternoon to go through part of the statement with the minister and get a better understanding of what he means and where we're going. But I do have just a few opening comments I'd like to make.

I'd like to pick up on one of the things that one of the Liberal members said. That is that when you talked throughout your statement about jobs and a social assistance policy and direction and changes, I think it would

be somewhat more refreshing if you'd come before the committee and simply say the only policy you've put in place at this point is the 22% cut.

There's nothing you've done in terms of offering opportunities for people; there's no incentives you've put in place; there's no explanation that you or your ministry can even give to the people of this province about why there has been a reduction in the number of people on social assistance. There are lots of theories out there, but it has nothing to do with simply saying that, "We've got a magic wand and we've lowered the rates by 22%," and that's a grand scheme and a new policy and, all of a sudden, has resulted in people moving off social assistance.

I would have thought that you might come here today and at least say to us, "We don't have all of the answers in terms of why the numbers are decreasing, but here's the type of study that we're going to carry out to find out what is happening to the caseload," instead of just coming here and telling us that this is all a result of a lowering of the rates by 22%.

In fact there are fewer opportunities now available for people on social assistance. The training programs have been cut back, colleges have been cut back, universities have been cut back, school boards have been cut back, so that for folks who do need to get back into the education system or the training system, there are now fewer opportunities available to them.

The Jobs Ontario Training program was eliminated, the JobLink program has been scrapped. Some of the programs that were put in place, whether you agree with them or not, at least were support systems to help people get back into the workforce. You've eliminated them. You've not replaced them with anything. If you don't agree with them, at least you could have replaced them with something that helps and gives people, as your leader likes to say, this hand up. What you did was you gave people a hand up and then you let them go in midair, and we don't know what's happening.

You're the Minister of Community and Social Services and you come here today and you don't even mention that three people have died in this city this winter, have frozen to death. Instead you come here and you talk about your grand plan and the fact that the last 10 years and the \$40 billion that has been spent on social assistance has all been a waste.

How do you know it's been a waste? How can you make that statement about our social assistance system? It may not have achieved all of its goals of integrating everybody back into the workforce, but it helped people, it helped kids, it prevented some kids from starving. Part of its objectives was to allow people to live with some dignity.

1440

Don't come here from your Markham home and your lawyer background and start telling people who have gone through hell in this province, through the worst recession since the Great Depression, that social assistance did nothing; of course it did something. It helped those people survive in a way that they didn't have years and years ago.

It needs to be improved, it needs to be updated, and some of that was happening. Other provinces have done

some reform of their social assistance system. But don't paint it as black and white and say it didn't work, it was a \$40-billion disaster, when you know that's just politics and it's being fundamentally unfair to the people who live on social assistance in this province, have survived and get up in the morning and try to raise their families in the best way they can.

The way you have played games with whether people want to work or not is an absolute shame for a Minister of Community and Social Services. Come to my riding and look at the 3,000 people who lined up to get jobs at a grocery store, most of the jobs at minimum wage: 150 jobs, and 3,000 people lined up a week or two ago.

Don't give me this line that may have won you some votes in an election campaign that basically says—it's all code language—that everybody on social assistance is lazy and doesn't want to work and that the Conservative Party has a solution, and that is to starve them into submission. That's what you're saying when you use the kind of language you use.

It may be what Jan Dymond and others are telling you to use, because for a while after you became minister you did some interviews where you began to show some understanding of the variety of situations that people in this province live in. Then you obviously got told by the Premier and by others that the fundamental way to explain the policies you're implementing is to be tough, to show the public that people on social assistance are rotten people and that they abuse the system and that all of our problems are a result of those people and that the middle-class, middle-income people are paying high taxes because of people on social assistance: the old divide and conquer.

It's fundamentally dishonest and it's totally unfair to a million-plus citizens of this province who are equally important as you or as me. I really feel disgusted with the game you have played both today in your statement and as minister in the last several months.

Again I'd say to you I find it unbelievable that you as minister would come to this committee today and use the kind of language and approach that you've used in this community where three people this winter alone have frozen to death, homeless people have frozen to death, and your only solution is to say: "We've done it. We've cut rates by 22%."

Why didn't you come before us today and explain to us what workfare means? "Workfare" is a great word. As one of the Liberals said, of course everybody—as the 3,000 people that applied for these minimum-wage jobs in my riding will tell you—wants to work. Where the hell are the jobs? We've got fewer people working today than when you took office.

The economic statement from the Minister of Finance has indicated that there will not be a lowering of the unemployment rate over the next three years. When you talk about laying off 13,000 to—what is it?—27,000 public servants; when you look at the education policy that Mr Snobelen is going to announce in the next couple of weeks, the so-called tools for school boards, which we predict will result in the layoff of teachers—between grade 13, junior kindergarten and the elimination of preparation time and some of the other things that they're

looking at there—over 20,000 teaching jobs; in just those two areas alone, we're looking at close to 50,000 jobs to be lost in the province.

We've already got an unemployment rate of around 8%-plus, and you're talking to us and saying that the people who have the most difficult circumstances in the province, who need to be upgraded, need to develop some more skills, don't have the work skills that are necessary, that by some magic wand they're going to have jobs? Let's get real. That's all politics. It has nothing to do with the real world. It's fundamentally dishonest. It's saying that people are going to have opportunities that you know are not going to exist. You know they're not going to exist, yet you have the gall to come here and make your statements across the province, all in the name of getting votes at the expense of the poorest people of the province.

One of the Liberal members said, "You must think about this when you're at home." You know, I'm going to say to you in all honesty, I hope you've lost some sleep over this, because the way people are being treated in this province is unconscionable, and you as Minister of Community and Social Services of all should understand that, should advocate for people. Since you haven't and in fact you have beat up on the people you're supposed to be serving, I hope you've at least felt a bit of guilt, because it's a shame what you're doing to people in the province.

Go out and work with people on social assistance and talk to people on social assistance. But today we get the same stuff that you've been giving us. No explanation of how workfare's going to work at all. We read in the paper that public service organizations like the Kiwanis Club and others don't want to have anything to do with your workfare program and they haven't even been consulted.

You say on one hand in your statement that all these workfare jobs will be created not at the expense of other jobs that already exist, but then you say in your statement that some of these workfare jobs are going to be at municipalities. If they're at municipalities, then who are they going to displace? If they're not going to displace anybody but they're going to be carrying out useful work for municipalities, then I would say to you, Minister, if those jobs are worth carrying out for a municipality and need to be done in a community, then pay them a decent wage and create the job, but don't tell people that they're going to be carrying out work that's necessary to carry out and their wage is going to be social assistance, because that's a slave wage, and you know it. It's making people work for something below minimum wage. If it's a job worth doing, then pay a decent wage for it. If it's not, then provide people with that real hand up, provide them with the training programs, provide them with the opportunity to learn literacy skills that are necessary to get back into the workforce.

I want to touch on another area that I think you've been a dismal failure on and you do not even mention, acknowledge. I've met with people in the children's services community. You have too. You've met with the children's aid societies. You know exactly what they're telling you, because they've told me they've told you.

They're not able to meet their legislative requirements. Kids that need protection from physical and sexual abuse in this province are not being protected. You know that's the case.

This garbage in your statement about a 2.5% cut, which is a 5% cut, and that somehow you've given agencies the proper notice to be able to restructure. Children's aid societies cannot meet their legal obligations. You didn't give them any notice; you cut them back 2.5%. They were already having difficulties because, quite frankly, of the budget constraints we put on them. You put more on them, and they're not able now to meet their legislative requirements.

The first time there's a tragedy in this province—and there was one out in Scarborough where a child was killed. The mother has been charged. The Roman Catholic children's aid—I believe it was in Scarborough—was involved with the case. It was in the Toronto papers. If that happened in the 1970s, there would be a coroner's inquest. There might even be a public inquiry. There were some of those cases that resulted in recommendations being made to change the Child and Family Services Act. It used to be called the Child Welfare Act. Some of the changes that were put in there were to emphasize to a much greater degree preventive services.

What are you doing now? You're bringing in this new term of "core services." What does "core services" mean? Minimal services. The preventive services that are necessary to prevent families from falling apart, prevent kids from getting into difficult family situations, you're going to pull those services. So we've got children's aid societies now that can't meet their legal obligations and are no longer going to be providing any of the preventive services.

1450

If you don't believe me, don't just talk about the mantra that you've been using as a Conservative Party. Read some of the public inquiries that were done in the 1970s; read some of the results of the coroners' inquests; read about the kid that was killed in Sarnia and a long public inquiry that was held that made some of the recommendations that now form a huge portion of our Child and Family Services Act that you're going to dismantle. That was the whole focus in the 1970s: Move away from simple protection of kids to prevention. Now it's as if the 1970s never even happened and we didn't learn anything at all. It's an absolute shame.

I'll make one other reference to your statement and then the Conservatives, I guess, will respond and then we'll get into questions, but I think it reinforces the fundamental dishonesty of your approach and what you did in the election campaign.

Mr Dave Boushy (Sarnia): On a point of order, Mr Chairman: I thought we were dealing with estimates and budgets. Now we hear the scam language and garbage. I don't think that's appropriate.

The Chair: Perhaps the member could just respond to the minister's statement.

Mr Michael Brown: He's just getting warmed up.

Mr Cooke: If you want to talk about abuse and abusive language, listen to this: "Our policies have proved to be equally encouraging in relation to 16- and

17-year-olds." I'd like to get a breakdown. You spent a lot of time in here talking about fraud and how that saved money, and then you get to the honest part and you talk about how the real way that most of the \$100 million has been saved has been through restriction of eligibility. It didn't have to do with fraud. When you made your announcement on fraud a few months ago, even then you admitted to the media and to the press that you had no idea how much money would be saved through tightening up, through anti-fraud steps. It had nothing to do with that. It had to do with tightening up eligibility. But here with the 16- and 17-year-olds, "Since the end of September we have gone from 6,295 16- and 17-year-old welfare recipients to 5,107."

First of all, I'd like you at some point to explain to us how you're supervising the placements that 16- and 17-year-olds now have to have with adults. But more important than that, when Mike Harris went around the province and talked about the number of young people on welfare, he gave people the impression that there were tens and tens of thousands of young people, 16- and 17-year-olds. He made that very clear. He said that in the Legislature when we were in government, and when he went around the province he gave people the impression that any 16- and 17-year-old who didn't like what their parents were saying to them at home could run out of their home and go on welfare and that they did that.

Here are the numbers: There were nearly 6,300 16- and 17-year-olds and now there are 5,100. Hardly an epidemic. I just say that, to me, demonstrates more clearly than anything the lack of honesty with the approach you've taken. The facts do not back up the rhetoric. If you want to be a successful Minister of Community and Social Services, you can't just be ideological and political. You've got to look at human services and the needs of the people of this province. That's what will work; not tearing down a system just because you've been given the orders, but looking at how to build it up for the people who need help in this province.

Mr Chair, I look forward to some of the questions, but as I think you can tell, I am very distressed at the approach that's been taken by this minister and this government. When I hear the predictions that because of the deficit we're going to be paying for many, many years, I fear that because of the actions that have been taken by this minister and this ministry in particular, we're going to be paying big time. We're going to have victims, children in particular, which means we will be paying for a long time. It'll be human pain, it'll be human tragedy, and it may not be quite as easy to define as the million dollars an hour that the minister talks about, but what we're doing is we're causing victims today out of these policies, all for a tax cut that is primarily going to go to the well-off, and I think it's a shame for this minister to be advocating and implementing these policies.

The Chair: Thank you, Mr Cooke. We'll take a five-minute recess.

The committee recessed from 1456 to 1507.

The Chair: The rotation, the 30-minute comments in response to the minister's statement in estimates, is now with the Conservatives, or the minister, I understand.

Hon Mr Tsubouchi: Mr Chairman, if I don't take up my full complement, are the caucus members allowed to take up the rest in response to my—

The Chair: No, just you.

Hon Mr Tsubouchi: Just me? Okay.

The Chair: All, of course, answerable to the estimates.

Hon Mr Tsubouchi: If I have half an hour, would it be possible for me to finish my speech?

The Chair: You can do anything you want. You have 30 minutes. You can finish your speech if you want.

Hon Mr Tsubouchi: I appreciate the indulgence here. I've got half an hour. Perhaps I could just finish my speech, because it does give the context for today. Then, at the end of that there are a number of points which some of the members have raised which perhaps I can give a little bit of context to as well. I appreciate that. If I could take over, I'll commence again at page 35.

My ministry is in partnership with the Ministry of Education and Training and the Ministry of Health, so that together we can coordinate our services to children in a way that eliminates duplication of effort and allows the government to deliver better services to children and families.

We go on to talk about the vision, and the abuse areas. Sorry, I wasn't on page 35.

The other area of responsibility is the young offender, and the responsibility is shared, based on the age of the child, with our colleagues in the Ministry of the Solicitor General and Correctional Services.

In the government's A Blueprint for Justice and Community Safety in Ontario document, that we released before the June election, we outlined our concerns about the system of justice in Ontario, a system that includes the young offender. In that document we said that adults and young people are neither rehabilitated nor deterred by the system that is in place at the present. We also stated that changes have to be made in the present system that will markedly increase public safety and security.

My parliamentary assistant, Janet Ecker, is the co-chair of the government's Task Force on Strict Discipline Programs. This committee will make recommendations on how a program of strict discipline should be developed for Ontario, taking into consideration the effective custody, management and treatment of young offenders.

Before I leave the subject of our services to children, I want to make two points very clear. First, we intend to support funding for and improve children's core services, and we will continue to invest in early intervention and prevention. Secondly, youngsters will have no future in a province that's bankrupt, and that is why the government is determined to improve Ontario's social safety net by stimulating job creation, getting people back to work and cutting taxes. Only then will we have a province that is stable and financially responsible. Inspired with this vision, we will have the kind of climate that will instil into our children a reassurance that their futures are well planned for.

The last ministry program area I want to address is our service to people with disabilities and they are a priority to this government. That is why the money we allocated to people with disabilities remains one of the single largest budgets in the ministry. For the fiscal year 1995-

96 the ministry has allocated a total of \$859.5 million to help about 50,000 very vulnerable people and their families cope with the challenges posed by living with serious disabilities.

One of the ways the ministry reaches out to these Ontarians and their families is through special services at home. We did not apply the June constraint to this \$371 million program because the funding is provided directly to parents so they can get the services they need to take care of their children. This is consistent with our view that money should be directed towards front-line services as much as possible.

It allows those families to buy services in two broad areas: personal development and growth, and parental relief and support, where these needs cannot be met by other means or through other supports in the community.

People with severe disabilities are among the most vulnerable people in our society and many are truly in need every day of their lives. I make no hesitation in ensuring this committee that this government will support them. That is why we are now in the process of removing people with disabilities who are unable to work from the welfare system where they should never have been in the first place. This is why we are giving them a separate income supplement program.

We will not take these actions in isolation or without input from those who will be affected by these changes. We have asked community groups, the Canadian Mental Health Association and the Ontario Association for Community Living, to name two, to advise us on how best to implement these changes.

In closing my remarks today, I want to address my ministry's efforts to streamline and improve its operations through reorganization and internal restructuring.

Throughout the course of my time with you so far I have gone to some length to describe for you our vision and principles and steps we are taking to improve our social services by making them more accountable, more fiscally responsible and more focused on those among us who are most in need. We cannot expect our social service partners to undergo restructuring that is desperately needed to avoid waste and duplication in the system without the practical leadership of the ministry in these areas.

In his Fiscal and Economic Statement in November, the Minister of Finance announced the government is aiming to reduce the cost of internal government administration by 33% by the end of fiscal year 1997-98. This will save the Ontario taxpayers about \$300 million annually.

The Ministry of Community and Social Services will join other ministries in realizing these reductions. Already, we have been part of the Ontario government's action in cutting \$23 million from internal spending this year, and we've directed these cuts to head office and field administration functions so that we protect the front-line services as much as possible.

This means that we will be serving the people of Ontario with a leaner and more efficient internal administration. It means these services can be consolidated more efficiently within government and will be integrated and strengthened. By reducing the ministry's internal adminis-

tration staff costs, we will ensure that tax dollars go where they do the most good and give the most value to the public, and that is to providing important front-line services.

We are now in the process of determining what core services the ministry should be providing. We are actively exploring ways to collaborate with other ministries in dealing effectively with the government's overall administrative services, and we are identifying those core services that are essential for the wellbeing of people genuinely in need.

As we do this, our vision of an improved, more affordable, effective and efficient social service system begins to take shape and substance. We will be planning for more effective results from these services and more accountable delivery models. We will also be promoting individual self-reliance and ensuring that the government supplements, rather than displaces, traditional support, such as the church and the community.

These are the challenges that have to be met. Consequently, the government's role will change to become part of a collective partnership to reshape the way we do business and deliver social services throughout Ontario in the future.

That business will redefine the so-called traditional roles that we have become all too comfortable with. It will mean, for example, a move away from demand-driven service delivery to affordable delivery of better services. It will mean a move away from a community development approach to the services developed by government to an approach that emphasizes community responsibility. This means we will not take the largess of the taxpayer for granted any more.

Taxpayers will no longer support governments that spend their way out of problems. Our solution is to control government spending and improve social services in Ontario by creating a system that's sustainable and more focused on client services.

As I said at the beginning of my remarks today, I am not talking about tinkering, about incremental changes or even short-term solutions. It is time for us to take a fresh look at the ministry and to fundamentally reform and improve the way it works for people of this province, for the people who need our services and for the people who pay for those services. We are laying plans today for a better and more sustainable system in the future.

The future of this ministry is solidly based on a vision and principles that will improve our services through shared responsibility, accountability, fiscal responsibility, rationalization, efficiency and fairness.

To quote Premier Harris: "None of our decisions are easy or taken lightly. But working together and drawing on the strengths of this province, Ontario can and will live up to its potential—can and will build a better and brighter future."

The Chair: You have about 25 minutes.

Hon Mr Tsubouchi: Okay, great. There are a few matters that were raised by some of the other members that perhaps I should give some context to. Certainly we are under a fiscal constraint. Certainly we did inherit—I'm sure you've heard this before, and I fear you don't want to hear it again from me—but the \$100-billion debt

we have and the \$9-million interest on the debt. But what that does is show you there's an envelope.

We do have a fiscal constraint, yes, and you're quite right, we do have to set out what our priorities are going to be. You've made a lot of good points, frankly, and what we're trying to say is that we have to make the system better somehow. It's not like 1987—it certainly isn't—when there was a lot of money available. The opposite is certainly true today.

But I think there are ways that we can improve—and just look at the social service area. That particular area, by making it better somehow, by addressing our costs and directing the costs in a different manner, because a lot of the costs before were directed towards—well, maybe not a lot, but I think that Mr Cooke would agree that most of the money in social services should be directed to direct services to people, as opposed to administrative and overhead costs, and to find a reasonable amount of money to put in those areas.

One of the things we have to look at is working with the various communities to come up with what they think is important for them as opposed to what we, just sitting here at Queen's Park, may think is important for them.

In connection with that, I mentioned briefly that we had been working with many of the community groups and organizations in order to come up with this so-called vision. You're quite right that we can't do this alone and somehow we have to come up with a better system. How can we best do that other than to talk to the groups that actually are the providers in the area, to work with them to somehow come up with our core services or restructuring, give them some input at the table and listen? I think that's very important. It's unusual for provincial government to do that. You might see that more frequently at the municipal level when there's a lot of consensus-building with people and working with them and coming to the table with them.

Some of the groups we sit with in the development services area are such groups as Christian Horizons, L'Arche Ontario, MARC from Metro. There are a number of them that sit at the table with us and we've had a very good response from them because we've indicated we want to work with them to come up with solutions and to find community solutions.

Yes, there are lot of good suggestions you're saying. Part of the problem is we have to know where we're going. What are we going to end up with? We want to end up with a better system and the way we're going to find a better system for this government, especially in light of the fact that we do have constraints. This is a bad time fiscally for all of us. We recognize that, but we're going to work with those particular communities to come up with solutions; that's how we're going to make the system better.

1520

Dealing with workfare for a second, I think you said the training programs were expensive and that's what the problem was, and you're 100% right with that. What our challenge is going to be is twofold, certainly. As I said in my speech, the best solution for welfare is a job. Yes, you've given me quite a challenge here: How are you going to do all this? How are you going to provide for all

this? Well, I'll tell you something: There are two important parts to our program coming up, Ontario Works. One of the important prongs is of course the employment programs. I call them employment programs, not training programs, because you're right, in the past there have been many programs that have been very expensive. I agree with you when you say that, and what you have to look at is something that's results-oriented as well.

To train somebody for the sake of training them, with no connection with a job, the person's a lot worse off than they were when they started. Frankly, what do you have at the end? You have a better-trained unemployed person, or you have a person who has now lost their optimism before they started in the program, when at the end of a training program they've got nowhere to go.

We are going to be looking at employment programs that are linked to results—I call it fee for performance—which means that you as an organization will get paid the bulk of your money when that person's in a job for three to six months. That means it's going to be tied to performance, and I think it's possible to do that. I'll tell you something: Everything that the prior government did is not bad. All governments don't do everything badly.

Interjection.

Hon Mr Tsubouchi: No, there are programs out there that do work and part of the challenge has been to find the programs that do work and how they're going to work into the program. I've talked to a number of organizations already which have shown a huge success in placements of people—from different types of categories of people, I might add. We were just out in the St Catharines area and saw a pellet company which was working with people who had been working within the penal system and they're placing them into jobs. An organization like the John Howard Society in St Catharines has had a very high success rate in placing people from various backgrounds into jobs. The YMCA. There are a number of organizations which have said: "There are programs here that work. Let's work together to find the right solution." I agree.

We have to find a made-in-Ontario solution for what we're doing. We're not Alberta. We're not the United States. We're Ontario, and we have a certain way we look at things, a certain mindset. So we have to provide the opportunities and we want to work with the communities to do that. That's one prong.

The other huge criticism I heard was the business about the work for welfare. I'll tell you something: That will result in giving people an opportunity to work within their communities which may lead to a job, may give some training. There are a number of areas I've talked to as well. When I was in Fort Erie, for example, and talked to the economic development fellow there, he indicated there are people who are working with him, and as a result of working on some community projects like—I think it's called the Festival of Lights in Fort Erie—people have actually been placed with jobs because of the people they worked with in the corporate sector. So the community work has resulted in something there.

There are a number of things you have said and a lot of good points you've made. A lot of things were taken into consideration. We want to approach this with a

program that will work. Believe me, I'm willing to listen to all MPPs in terms of suggestions on our employment programs, not just my own caucus. I think that just because we're of different parties doesn't mean to say we don't want to help people get off welfare. That's really what we're trying to do right now, trying to get out of that cycle that I don't think worked before in the past.

I guess during the election the program came out. That's what we were saying we were going to do. But it's not widely—certainly the Liberal Party came up with programs as well, the mandatory opportunity program, which really had the same sort of idea in mind: Get people off welfare and get them to work. So I don't think that the thinking is hugely divergent, at least with the results we're trying to get to. I think the methodology perhaps is different in ways but certainly we're looking to try to improve people.

I didn't refer to anybody in my speech by any type of categories other than saying—with respect to Mr Cooke's remarks about what I may have said in my speech: I said there are hundreds of thousands of good, honest people in this province who are waiting for an opportunity such as this, getting back to work. I didn't mention anything else. Once again, we want to continue our efforts to reform the overall welfare system so we can help so many good people throughout the province get back to work. People want to work. We want to help them. That's really what the mandate of our government is. We want to improve Ontario. That's what we want to do. I don't think we are any different than anybody else. You might disagree with our programs, but I think by and large we want to make Ontario better for people to live in. That's what our aim is here.

That's really the response I have in terms of some of the matters and the contexts that some of the members have brought up. Our aim here, certainly as a ministry, certainly as a government, is to make things better for people. That's what our vision is. We have to work within some restrictions, but still our aim is to make things better for people in Ontario.

The Chair: Thank you, Minister. We will start the rotation time now, with 30 minutes for each party, questions or comments if you want to make them. We start with the Liberals.

Mr Cordiano: Minister, I don't know you that well, but obviously from what you've said today and what you've just said, one would tend to believe that you are genuinely interested in helping people. I don't doubt that; I don't doubt that of any member in this Legislature. However, the approach taken would also tend one to believe that in essence it's up to the individual to fend for himself, and that by doing so an individual is strengthened, because they lack the survival skills. That's what the government essentially is saying to people: Go forth, young man or young woman, and find your way, and fend for yourself, because that's the only way to survive.

You haven't displayed anything else to people by way of initiative. You've not shown that. Even your tax cut, for God's sake, which is supposed to stimulate the economy, is now being put off well into the future. I don't agree with what you're doing, but those people who bought into your program, who voted for you because

they thought there would be a stimulus to the economy, they believed you and your government and your party when you said you were going to create jobs as a result of the tax cut.

You have the most difficult job, because I think you're put in an untenable situation, one which ultimately makes you an individual who cannot live up to the promises that you make, who cannot live up to the expectations that exist. You're just trying to put your fingers in the holes in the dam; it's leaking all over the place.

You can't tell me, as you sit here today, that there will be jobs created, because nothing is happening. Your government hasn't done anything. The economy continues to shed workers. I just showed you, and I'll show you again, the *Globe and Mail*, job cuts everywhere. Where are people going to find jobs over the next 12 months if, as I heard correctly the Finance minister say, even the tax cut will not take hold until January 1, 1997? That's at least 11 months away. Beyond that—it was even in the Common Sense Revolution—there's a lag effect; to the time that the tax cut takes effect from the time it was introduced, there's a lag of at least 12 months to 18 months. Any economist will tell you that. So we're talking—what?—24 months before any real impact on the economy, even if you believe that the tax cut will lead to the kind of stimulus in the economy which would create jobs.

In effect, your government has abdicated any responsibility for job creation and any responsibility to those people who you're saying have to go out and fend for themselves. That's the trouble I have. I want to believe you, and I think people want to believe you out there. They want to believe that you're going to do the right things, that you're going to improve their fate. But in the meantime, there's a lot of suffering going on, a heck of a lot more than you bargained for when you took office, I believe, a heck of a lot more than anybody anticipated, and it's going to get a whole lot more desperate as a result of Bill 26. There's no question about that.

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We can sit here and argue all day long but everyone knows, everyone feels it, everyone can see it. Even if the numbers don't show it today, everyone knows there's a lot more desperation out there for people. So I have difficulty when you say you want to improve the fate, the lot, of people out there and improve their chances of succeeding in our society. It's just not going to happen when things are getting a lot more desolate.

People will sit here and accuse me of trying to make the situation even worse because we're in opposition. All I say to you is what I'm hearing from people out there in my constituency and across the province that I've spoken to. Things are not that great. There are definite signs that point to the deteriorating economy. As a result of that, I ask you, what are you going to do? What are the time lines with respect to bringing workfare or whatever you want to call it into existence? Let's start off with that. What is your time line for that? Even that I disagree with, but at the end of the day, there is something for people to do.

Hon Mr Tsubouchi: Just to put it in context again, I believe that the lead for the finances lies with the Minis-

ter of Finance, but certainly you've heard this before, that for us to really encourage job creation, we have had to make an atmosphere that is conducive to job creation and it's done through a number of measures already taken, including Bill 7.

I must tell you that I've had some contact with some of the Japanese business community, the Japanese ambassador. By the way, Japan's our second-largest trading partner. Not that this is my area of expertise, but they've indicated a large interest in working with Ontario. They really seem to perceive that we're ready to do business. Given that context, I just want you to know as well that we are working on our Ontario Works program, that we are doing a lot of consultation with it.

The one thing I want to say right now to the member is that the government is fully committed to producing the mandatory workfare and certainly we're right on time as well. You'll know that it does require the able-bodied people to go to work, but we're looking for, once again, options for made-in-Ontario solutions. I think you can appreciate that we have to look and see what does work in Ontario.

What I've said before in the past is that there's quite a difference in Ontario. We're quite a diverse province. I'm trying to give you some explanation in terms of why, but you will appreciate there's a difference between different regions and certainly between urban and rural areas, between the inner city and suburbia. We have to find the right solutions that will work.

We are working right now with a committee of MPPs who are helping me shape the structuring of the workfare program. They're helping me as well to find the programs that work in Ontario now, and I must tell you that I've not just relied on my MPPs and my caucus, but other members as well. One of the members of your caucus as well has certainly assisted me and directed me to a program in his area, and I appreciate that because we need to find the right solutions.

Yes, we're still formulating the policy. We're right on time; we're very close, but I'm unable to give you the time frame on that, just as I have not been able to give it to the press. But I think it's important for us to provide a program that will work. You've already set out some of the challenges that we have. There are a lot of realistic challenges there to make sure this program works. We're going to provide the people of Ontario with an excellent opportunity to get back to work and that's what the idea is behind it. Yes, we're on track, but in terms of a specific time frame, I can't give you that, I'm sorry. We're still developing it.

Mr Cordiano: How about child care? How many more spaces will be available to make it possible for single mothers to be part of this program?

Hon Mr Tsubouchi: That's another good point you're asking me again, and you're quite aware, of course, that we're undergoing a child care review right now under the leadership of my parliamentary assistant, Janet Ecker. Part of the challenge is going to be to find not just how child care is going to fit within the context of workfare but within the context of how we are going to provide affordable spaces to the people of Ontario. This is what the challenge is going to be to Janet right now, and she's

doing a lot of consultation as well. Her particular committee is meeting and doing consultations as we—well, not as we speak, because Ms Ecker's here.

Part of the background with all this is that one of the things we set out to do—and you're aware of this as well—is restoring the balance between non-profit and the private sector in child care. We've already done that by eliminating the conversion program, which was costly and didn't create one new child care space. By allowing the private sector to come in, I think you increase the accessibility, increase the choice.

With respect to the child care committee, once again, we're doing consultations. I don't think anyone could criticize us for doing that after what we've just gone through. How it's going to fit into workfare is one piece of the puzzle that the child care review is going to have to provide us with some input on. That's the very practical result of it.

Mr Cordiano: During the election campaign you had all the answers. Mike Harris had all the answers. This was going to work, it was going to be implemented very early on in the government's mandate. It would happen almost overnight. When people talked to me at the doorstep during the election campaign, they pointed to Mike Harris saying, "We've got the answer for this." "Why can't you come up with these answers? He's got it all figured out. He's going to have child care, he's going to have workfare, he's going to have an opportunity for people, they're going to get jobs, there are jobs out there"—easy answers. Complex problems, I thought at the time, but there were easy answers.

Now you come here today—and this is what's so frustrating, honestly—and say, "We haven't got anything worked out." You haven't even got the beginnings of a model that you can talk to us about. Perhaps you don't want to talk about it all, but you don't sound to me as though you're going down a road which has any answers whatsoever. You're formulating it, you're discussing, you're still consulting.

There's not a whole lot here that you can tell us today which would give us any kind of confidence, that would lead me to believe that people on social assistance will have opportunities within the next six or 12 months, because that's going to be the desperate time. You know it and I know it and everybody in your government knows it. It's going to get a whole lot more difficult for people out there, yet you can't reassure us today that there's something that will be done over that period of time. I find that incredible.

Hon Mr Tsubouchi: I could reassure the member that we will have workfare working this year.

Mr Cordiano: Ah, ha. Now we're getting some answers.

Hon Mr Tsubouchi: That's not a new answer. I've been saying that for some time.

Mr Cordiano: When this year?

Hon Mr Tsubouchi: Well, that's the crux of it. I don't think the member can disagree with me in terms of my saying, whether it's the child care review, whether it's the workfare model or whether it's the development services model, that we're undergoing a lot of consultation with the community to find out what their needs are and how

they feel they should be part of this puzzle. That's what we're doing right now. We are on track. We have some basic structures in place, but we need to speak to the community, and that's what we're doing right now. I've talked to a number of organizations and we have been working together with them.

Mr Cordiano: That's fine, but you didn't consult anyone when you moved with lightning speed to cut social assistance by 21.6%.

Hon Mr Tsubouchi: If that's a question, that's something we clearly said we were going to do. But I might add that the benefit rate in Ontario is still 10% above the rate average of the other provinces. We didn't go to the average of the other provinces; we're still 10% above. Second, we provided people with the opportunity to earn back the difference between the old and new base rates.

Mr Cordiano: There were a lot of complications with that. You know your own office made mistakes.

Hon Mr Tsubouchi: None the less, that was something we provided them with.

Mr Cordiano: All I'm saying to you is that in the meantime, there's nothing for people to turn to in the alternative while you dither and try to figure it out. Again I say, you've been granted the impossible job of trying to figure this out as you go along, making up the rules as you go along. You really don't have it all figured out.

It's not just a question of consulting people to see how best to implement it. You haven't even outlined what you would do. You can't answer these questions I've asked today: How is it going to work? How many people will be employed, more or less? I don't expect right down to the last detail, but you can't give us the general outlines of how this is going to work.

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Hon Mr Tsubouchi: I might comment that we are doing the 1995-96 estimates and not the 1996-97 estimates. Second, we are criticized when we do move with brevity and we're criticized when we move with consultation. Perhaps we can find out what might be the middle ground for this. I believe, strongly, that this is a very important program. That's why we are consulting with people. That's why I have my colleagues working with me on the program. You're quite right, it's a complicated program. But I think you'll find the results will work and you'll be pleased with the results, if that's what your ultimate aim is.

Mr Michael Brown: Pursuing the same issue, as we probably all know, Wisconsin's one of the leading jurisdictions in North America in following some sort of "workfare" program. The Governor of Wisconsin, who is a darling of the Republican right-wing over there, clearly says: "If you're doing this to save any money, folks, forget it. This is not about saving money. This will cost you money, but it is worth doing for all the right reasons"—opportunity, personal growth, all that kind of stuff. He very well could be right on that basis.

People who have had experience with these programs come to us and say: "There's no money to be saved. If you do this and you do this right, it is going to cost you money. You cannot conceivably save money doing this unless you're dressing up a cost-cutting exercise with

some nice words." Are you prepared, in order to do your "workfare" program correctly, to spend more money if that's what it takes to make it work?

Hon Mr Tsubouchi: You raise a very good question in terms of why we are doing this, and I think you're right. To quote for a second from—surprise and lo and behold, I have the Common Sense Revolution here. It says, "There are no short-term cost savings in this, but we believe that for every life we get back on track we are avoiding further costly programs down the road." That's exactly the point you're making, and that's why it's important for us.

You're looking at Wisconsin as a possible model, but I'll tell you something. That's the United States. We're not the United States. I've seen a lot of the programs they've written out, whether it's Wisconsin or Michigan or California, but the end result, and what we've decided, is that we want made-in-Ontario solutions here. That's what we have to do.

Mr Michael Brown: I agree with you. The reason for mentioning that particular one is because I was trying to understand whether this is just about cost-cutting or about an effective program. That Governor is saying, "This costs more, not less."

Hon Mr Tsubouchi: But it could be both. The other point that was made just a bit earlier was that the old training programs didn't work and were very costly. You have to look at how you work within your resources right now; provide ultimately what you're talking about, which is an aim to make things better for people, but within the context of utilizing better the resources you have. I think your point's well made. But once again I have to say, and it's the point Mr Cordiano was making as well, that a lot of existing programs weren't cost-efficient, and that's what we have to eliminate.

Mr Michael Brown: We live in a society that is ever-evolving and what worked yesterday may not work tomorrow. We all understand that.

Unfortunately, I probably have more experience with job creation programs than anybody in this room. I represent a community where we've lost virtually all the industry jobs, that being Elliot Lake. Through that experience—and make no mistake, it's a very painful experience—one of the concerns that gets raised, and you mentioned it in your statement, is job displacement. With all the right intentions, there were myriad programs, whether they be provincial or federal, that were aimed at providing some kind of work for people in transition, lots of retraining programs, whatever.

One of the more common complaints to constituency members was: "I can't get work because there are no jobs left. Every job in this place that I could qualify for or used to get is now being taken by somebody on a works program." Employers were subsidized, unemployment topped up, all kinds of programs which helped those people. Fine. But say I was a carpenter. I can no longer do carpentry work because all the projects and whatever are being done by subsidized people.

I look at, say, the municipal sector in Ontario today. There's quite considerable downsizing in parks and rec services, for example, where people used to be out doing the maintenance of the parks and what not. Would it be

your vision that perhaps some of these people in Ontario Works would be out there doing that work?

Hon Mr Tsubouchi: One of the principles I stated in the speech was that any work-for-welfare job is not to take a job away from someone who is actually being paid for doing it. That's part of how we have to piece this together, obviously. If someone is doing work and is being paid for it, you don't want to replace that by someone who's not getting paid for doing it.

Mr Michael Brown: The difficulty is that it's easier said than done.

Hon Mr Tsubouchi: You're quite right, and that's why we're speaking to a lot of the organizations out there, which are coming to us with ideas on how they can fulfil this community work. That's where we're getting our best suggestions, from the communities themselves. I've seen a number of them in different communities who have come up with ideas and how to make their communities better at the same time. It's not just a simple matter of make-work projects. That's not the idea. The idea is that you're going to have to work for your welfare cheque, but you also have an opportunity to improve your community at the same time, and that's where these people are coming forward with ideas.

Mr Michael Brown: I understand exactly the theory but I have some difficulty, just knowing the reality and having gone through some of the better-intentioned programs that were provided in the province in terms of jobs. I think you're going to find that there will be real job displacement regardless of how carefully you craft this. In my example, the community was directly involved in all these programs. It wasn't as if nobody talked to them and somebody came in and dropped them on them. For some of it, the community even had the money itself and was allocating it for these jobs, yet people who had never missed a day's work in their life were now not working. That should be of concern to all of us.

One example when we talk of that, of which government pays for something, was there was one program where the intent of the program, if you can believe this, the first priority of the program was to have people work for 16 weeks. At the end of that time they were terminated and someone else would get on and do that job. The intent of the program was essentially to move them on to unemployment insurance, because in that community at 16 weeks you then requalified for another year. They also paid wages in the neighbourhood of \$15 or \$16 for those jobs so they would qualify for the maximum in unemployment insurance dollars. It's easy to say in the abstract that we're terribly opposed to this, but when you have huge layoff situations, that's what people decided to do.

What I'm saying to you is that you look at this and it all sounds really good. The rhetoric is fine. But when the rubber hits the road, I'm suggesting that it's going to cost you some money, maybe more than you think, and that there will be displacement. There will be people who are no longer paying taxes to the province of Ontario who will be displaced. When you do this, do this very carefully. But you'd better be doing it in a hurry, because I really believe the people of Ontario want opportunity and want jobs.

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Having said all that, there is a limited number of jobs in this economy unless your Finance minister is going to change what he's thinking. It's not me saying that the unemployment level is not going to decrease; it's not any member of the Liberal Party saying it, it's your own guys. They're not seeing any growth in the economy of Ontario in terms of jobs. If we get these folks jobs, who else is going to be, then, on social assistance? Somebody else, if there's no growth in employment. It's not rocket science: unless there's growth in the economy. I'm having a really hard time with this and I wish you'd help me a little bit. If there's a limited number of jobs and it's not expanding, somebody is going to be on welfare. I wish they weren't, but this sounds to me like what's going to happen.

Mr Cordiano: Just before you answer, it would help to know what the category of jobs is that you're planning in workfare, what exactly we mean when we say we're going to create a job, the jobs that my colleague is referring to. I used the example of someone being called up to mow the lawn, shovel the snow. This is what we heard during the election campaign. Is that what we're talking about, or could it be any kind of job, where someone is actually learning something that might be helpful in the future to gain a permanent job? Can you answer that, at least?

Hon Mr Tsubouchi: That's one of the areas, Mr Cordiano, where we're looking for input from the community. The community is coming up with some very good ideas, whether it's from the YMCA or whether it's from other organizations.

Mr Cordiano: Such as? Shed some light on that for us. Like what?

Hon Mr Tsubouchi: I'll give you an example. The Economic Development Corp of Fort Erie has people working with them on their Festival of Lights. They appreciated that. In fact, what happened with some of those people is that they actually got jobs as a result of their working on the community project, real jobs, because the project was, of course, sponsored by private business. That's an example of one.

There are a number of things, and that's the challenge right now. If I start giving out all kinds of various examples, of course that'll be the focus of what we're doing and might detract from the actual program. What I might say to the member, all members, is that you don't have to be a Conservative to come up with a program that's good. If your community comes up with programs, we're willing to listen to it.

The Chair: Five more minutes for the Liberals.

Hon Mr Tsubouchi: I welcome input from all members.

Mr Cleary: I just want to know, who else are you consulting with? In our part of Ontario there don't seem to be any consultations. Anybody I run into says there's no consultation with the government on anything.

Hon Mr Tsubouchi: Actually, first of all I have a core group of some of my caucus members who have been working with me from all over Ontario and giving me input from their areas. I've visited a number of other areas too to see programs, including Sudbury, I might add. We

don't have a member there. So if you have people who want to meet with us, we're more than willing to listen through yourself or even to them. I think it's very important for us to get input from all MPPs on this. It's a very important program.

Mr Cleary: When do you think this program will be up and running?

Hon Mr Tsubouchi: Well, it will be this year.

Mr Cleary: I understand that you've already lost an employee because it wasn't happening fast enough.

Hon Mr Tsubouchi: Sometimes unrelated subjects get related somehow. All I can tell you, and certainly with the support of my colleagues of my caucus committee, is that we're right on track. I think any of them would tell you that.

Mr Cleary: What's the time frame? "On track," what do you mean by that?

Hon Mr Tsubouchi: This year.

Mr Cleary: This year. Okay. If this committee doesn't get the answers we want from you this year, I think you'll be back in the same spot next year.

Hon Mr Tsubouchi: I think for sure we'll be in the same spot next year.

Interjection.

Hon Mr Tsubouchi: No, getting questions from the members.

Mr Cleary: We tried, with a group of people from all over Ontario, to get an adopt-a-highway program going for a number of years. That was involving a group of residents. They tried to get the communities and the service clubs involved and we made no headway on that whatsoever in the past. I would like your thoughts on that. I'm talking about provincial highways, mostly.

Hon Mr Tsubouchi: I've spoken to a number of groups, including a number of chambers of commerce. I was out speaking to the Rotary Club in St Catharines the other day. My staff have met with a number of organizations as well and we've received some very positive feedback from them in terms of participation in assisting us.

You see, the whole object with this, of course, is that yes, we want to provide some work experience through the community work, but an opportunity to improve these communities as well. That's the aspect I think that has people looking at it very positively. We're not looking just for someone to dig a hole and fill it in. That doesn't make any sense.

Mr Cleary: I know many residents in my community have sent out résumés and have travelled every day, door to door. I find it very hard to accept that you say there are jobs out there, because they've tried everything and they come back with zero.

The Chair: Thank you, Mr Cleary. We've exhausted that 30 minutes.

Mr Cooke: Minister, when you were responding, you said you really didn't mean that you had any particular view or attitude that lacked understanding towards welfare recipients or social assistance recipients.

Hon Mr Tsubouchi: No, those are your words, not mine.

Mr Cooke: "Lacked understanding"—I don't mean that you didn't understand. I mean that you empathized, that you had concern and so forth.

Hon Mr Tsubouchi: No.

Mr Cooke: Well, then go ahead. Use your own words.

Hon Mr Tsubouchi: Mr Cooke, all I did was tell you what I said in my speech. I think what you actually said and what I had actually said were quite different. All I said here was that there are hundreds of thousands of good, honest people in this province who are waiting for an opportunity."

Mr Cooke: Right, okay. That's fine.

Hon Mr Tsubouchi: That's all I said.

Mr Cooke: If that's the approach you take—I said in my opening statement that one of my concerns is the approach, the kind of language and the way your party and your leader used social assistance recipients and how you continue to do that. I just want to give you an example of what I mean in your statement, on page 7: "In 1985, for example, about 476,000 people relied on welfare in this province. When I became minister last June, that number had risen to 1.3 million. Put another way, taxpayers were supporting one in 10 people in Ontario with a welfare cheque." That is code for saying that people who are on social assistance are basically milking the taxpayers.

If you don't mean that, why wouldn't you simply say that there are 1.3 million people? Of course you know that the majority, a huge portion of that 1.3 million—when it's spelled out this way it gives people the impression that you've got 1.3 million adults. Is it 500,000 or 600,000 of that 1.3 million who are actually kids? Why would you put it in a way that gives people the impression that your view is that social assistance recipients are basically milking the taxpayers?

The fact is, if I understand what you really believe, that you understand that the 1.3 million people, including 600,000 kids, don't want to be there, that it's the economic situation. In fact, if you were totally fair, you would say that one of the reasons the numbers went up so dramatically in the beginning of the 1990s was because of the recession—a terrible recession. So if you understand all of that, why do you constantly use code language that really is politically popular but just describes social assistance recipients as folks who don't want to work and are just relying on social assistance?

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Hon Mr Tsubouchi: I'm not denying the recession didn't have an effect on things; I don't think any of us are so silly as to deny that. But I also would say to you that over the last 10 years it's been very evident that the welfare system has become uncoupled from the economic realities out there in the real world. Over the last 10 years, whether or not the economy went up or down, the welfare rolls continued to rise steadily. So yes, I do recognize the fact that—

Mr Cooke: Has it just been in the last 10 years?

Hon Mr Tsubouchi: It's the last 10 years I looked at. It was pretty steady if you target—

Mr Cooke: You might want to take a look at the numbers and see that it actually was happening even in good old Davis's Ontario.

Hon Mr Tsubouchi: It was quite a remarkable increase over the last 10 years. But what I'm saying is that yes, the recession did have a part in all this, but certainly

you have to look in terms of why it continued to rise even through the good times. I think that's the key.

Mr Cooke: But the point is that when you use this kind of language—

Hon Mr Tsubouchi: Let me address that for you, because you did ask me specifically about the language.

I certainly read my speech beforehand and I certainly didn't read it and interpret it the same way you did. I interpreted it in a factual manner, that one out of 10 people in Ontario were getting welfare. I don't read codes into things as much as you do, unfortunately.

Mr Cooke: Put another way, taxpayers were supporting one in 10 people in Ontario.

Hon Mr Tsubouchi: Yes, that's a factual statement.

Mr Cooke: Another way of putting it would be that one in 10 people in Ontario has been displaced by the economy and we need to help those folks. The way you put it, you play to the middle-income people and you diminish and put down everyone who's on social assistance.

Hon Mr Tsubouchi: Maybe you and I should visit the art gallery together some time and see how we interpret art.

Mr Cooke: I actually believe that you don't see it that way and I think that's part of the problem. I think that's a real, serious problem.

Hon Mr Tsubouchi: It really was a factual statement, that's all. It's a factual statement that one out of 10 people is on the welfare system. That's it. There's no code intended, no interpretation.

Mr Martin: You didn't quite say it that way. One out of 10 people is being supported by the taxpayer; that's what you said.

Hon Mr Tsubouchi: But that's true too.

Mr Martin: But it's different. It's a different political spin. Come on, be honest.

Hon Mr Tsubouchi: Unfortunately, I guess your interpretation of reading codes is quite different than mine. Certainly, it's intended as a factual statement.

Mr Cooke: As I said, I think that's honestly what you believe, but that's unfortunate, because you really miss the point. I think your leader and some of his political advisers understand the point very well and that's why they use this kind of language, because they're playing to that kind of dislike, the kinds of divisions that are built up in economically challenging times and how people who are working and are paying taxes blame the victims during economic recessions.

I think Mike Harris understands that very well; I think David Lindsay and the other people in his office understand it very well. I think the ads that were run during the election campaign played to that, and this kind of language just reinforces that.

What I really want to talk to you about in this segment is your workfare program, because I think your Premier goes around the province now saying, and says in the Legislature, that the Common Sense Revolution was pulled together over a few years of consultation, that you had a specific plan when you came to government and that now what you're basically saying to us is that you don't know really what the workfare plan's all about. It was, again, a good code for getting votes in an election,

but you're here today, more than six months after being elected, more than six months after being sworn into office, and you can't give us a better definition of where you're going in terms of the workfare program.

I would like at least to get some idea of what kind of budgeting we're looking at. The \$500 million that you talked about, is that still the dollars you're talking about? Over how many years is that, and where is the \$500 million going to be spent with respect to the workfare program? What's the purpose of it? What's it going to be targeted at?

Hon Mr Tsubouchi: Mr Chair, because both Mr Cooke and Mr Cordiano were very interested in some of the elements of workfare, perhaps I can take a couple of minutes and give them a little more insight in terms of workfare.

Mr Cooke: Before you do that, can I ask you to answer my question about the \$500 million and where that money will be targeted, what the purpose of that is, how many years it will be over? That's a very specific program. I'd like to get an answer to that \$500 million.

Hon Mr Tsubouchi: Certainly that's all part of the context in which we're actually fine-tuning the workfare program right now. You can appreciate the fact that that's not something I can really talk about right now. We've made a commitment, certainly.

Mr Cordiano: You haven't talked about anything as far as—

Hon Mr Tsubouchi: I'm going to give some detail in a second.

Mr Cooke: Minister, you talked about the \$500-million program in the Common Sense Revolution.

Hon Mr Tsubouchi: Correct.

Mr Cooke: You've confirmed that the \$500 million is in fact still the plan. You must have some idea of what the \$500 million is going for. Is it going for retraining? Is it going to be directed to the community college system in part? How many people will the \$500 million accommodate each year? I think we're entitled. This is estimates.

Hon Mr Tsubouchi: But it's estimates for 1995-96.

Mr Cooke: Come on. You've announced that you're going ahead with the workfare program. If that's the attitude, then—

Hon Mr Tsubouchi: I might say to the member that once the program has been fully developed, we certainly will share the aspects of the funding with you as well.

Mr Cooke: So you're here today and you can't tell me. Even though the \$500 million was part of the Common Sense Revolution document and you consulted over two years, you can't say anything about what the \$500 million is going to. You can't even tell me how many years it's going to be over.

Hon Mr Tsubouchi: I would better characterize that as saying we're not prepared to do that right now because we haven't fully developed the program. I think you can appreciate that, having been in charge of other programs before in the past.

Mr Cooke: I can appreciate that you can't give me all of the specifics about the workfare program. I can understand that. But I can't understand that you can't even give me an indication of what the \$500 million is

going for, since it's already been announced and it was part of your election campaign.

Hon Mr Tsubouchi: Once again, it's part of the context of the workfare program, and as I said, we'll certainly be happy to share the details with you once it's been developed.

Mr Cooke: Have you got any studies that you're looking at modelling your workfare program after?

Hon Mr Tsubouchi: Actually, as I stated earlier on, we've looked at a number of different jurisdictions and a number of different programs, and the one thing we had decided as a result of that is to find a made-in-Ontario solution. That's why we're working very closely with communities and with my committee of MPPs to properly formulate what workfare is going to be.

If I have an opportunity now, if you wanted some context in terms of workfare—

Mr Cooke: No, I don't want general language. If you're not prepared to talk about the workfare program and some of the specifics—you've made that very clear—I do have a couple of others that you can either answer or refuse to answer.

Hon Mr Tsubouchi: Actually, if you're lucky, I can actually answer the question.

Mr Cooke: Have you put out any kind of requests for proposals on workfare, or is it all being developed in-house? Are you using any private consulting companies to help you develop the workfare program?

Hon Mr Tsubouchi: The concept of workfare is being developed in connection, as I said before, Mr Cooke, with my committee of MPPs. They're my primary source right now. They are people on the front line who provide me with information on this.

Mr Cooke: Hopeless. I understand that you're using your caucus to develop some ideas. I'm asking you whether there's been any use of private sector consultants to help you design this program, and have there been any requests for proposals put out to the private sector with respect to workfare?

Hon Mr Tsubouchi: The actual development of the program?

Mr Cooke: Yes.

Hon Mr Tsubouchi: My primary source, once again, is the committee of MPPs.

Mr Cooke: So the answer is yes or no?

Hon Mr Tsubouchi: In terms of developing the program, the answer is I'm working with my MPPs. That's my source, Mr Cooke.

Mr Cooke: I understand that. Have you put out a request for proposal to private sector consultants for the development?

Hon Mr Tsubouchi: No.

Mr Cooke: Just answer the questions, if you can. With all of the service clubs that you've talked about involving, have you had specific responses from the service clubs?

Hon Mr Tsubouchi: Well, it depends what you mean by response, Mr Cooke. Do you mean indications of interest or—

Mr Cooke: My understanding was that you've had significant correspondence with a number of service groups where you asked about potential interest from

service groups, and I just want to know what kind of feedback you've gotten at this point from service groups, since the feedback I've gotten is that there's not a lot of interest from groups like the Rotary Club and the Kiwanis Club and so forth. I'm trying to get an idea from you, since you've been quoted in the papers as saying they might be one of the main sources of placement for the workfare program, of what kind of response you've got and what kind of evidence you can present to the committee of interest.

Hon Mr Tsubouchi: I might indicate first of all that when this whole business about service clubs came out, it was, I think, something that one of the papers came out with and it wasn't myself. But that's not to say we haven't discussed things with service clubs. My staff have talked to some service clubs already and some of the MPPs have as well. I spoke to the St Catharines Rotary Club the other day. The indications are that many of them are looking favourably upon the program. But I think the important part is that people need to know what the program is about, and that's where we really get a lot of help from the MPPs, explaining what the program is.

1610 Mr Cooke: How can we explain what the program is when you can't even answer a basic question here before the committee today of how many years the \$500 million is going to be spent over and what it's going to be spent for?

Hon Mr Tsubouchi: You have to look at things in terms of context in the actual program. If people know exactly what the expectations are in terms of general concept—and you know, I've got some information here but you don't want to hear it.

Mr Cordiano: Well, you didn't give me any information, so I'd like to hear it. Answer my questions.

Mr Cooke: I want to get a better understanding of the program, but I think pretty fundamental to how the program's going to work are questions like the \$500 million. Can you tell me whether you expect to be using the community college system for any training?

Hon Mr Tsubouchi: Part of what we're looking at is how in fact we're going to be working with MET on all this as well. Part of what certainly your government was doing was looking at basic training skills. We're piecing that together as well. I'm sure it's not just your government; the prior Liberal government as well. We're promoting the fact that some basic skills are required, and that's where we're putting this together in the espousal of workfare.

Mr Cooke: I understand all of that, but can you tell me whether you envision using the community college system?

Hon Mr Tsubouchi: For what?

Mr Cooke: For training, retraining, so that people can get back into the workforce.

Hon Mr Tsubouchi: As I said, we're looking at many different aspects, and that's why we're working with the Ministry of Education to try to see where this all fits together.

Mr Cooke: So you can't tell me whether the college system is going to be used.

This is a complete joke. The most important program this minister has talked about, a 22% cut in social assistance rates, all focused on and being told that this is moving to a workfare program, one of the centrepieces of the election platform for his party, and the minister comes here and tells us today he can't talk about it. He can't even tell us how the \$500 million is going to be spent. What an absolute disgrace.

My colleague has some questions on a different issue, but this is a complete waste of time.

Mr Martin: I want to focus as well for a few minutes on a central theme, or at least an important piece of what I saw as the promise that was made during the election campaign of last year that once you were elected I thought for certain you would honour, and it turns out to be not so. It concerns me deeply because people are going to be hurt. As well, for me, it begins to put a human face on the eventual outcome of some of the cost-cutting that you, as part of the Ontario Harris government, are involved in.

I went home last weekend to Sault Ste Marie and did a couple of things. One was to pick up some back copies of the Toronto Star, the business section. In it, to my surprise—because to listen to the government, you'd think the economy was simply falling apart, that we were in some kind of crisis. The premise upon which a lot of the cuts are being made is that the economy needs to be jump-started again so that jobs can be created and we can get on with life.

Well, according to the newspaper on Wednesday, the headline is "The Profit Parade Continues." It talks about Barrick Gold's 10th straight year of record profits. It talks about the Bank of Nova Scotia making \$876 million and its record earnings. It talks about GM topping them all, making \$1.3 billion and setting a profit record.

Then I picked up the paper on Thursday and I read where Brascan, which owns in my own community Great Lakes Power, and a lot of other business enterprises in Ontario, in 1995 recorded a \$312-million profit, which is the best in its 96-year history.

Then I picked up the paper on Friday, and it continues. Inside it talks about Petro-Canada making a profit of \$196 million for 1995, and this coming despite charges that it had to put out for major layoffs that they incurred. So they're laying people off at the same time as they're declaring this record profit. On the front page of that section it talks about the stock market and how it has all of a sudden begun to roar. I guess it's a term they use there. I'm not that familiar with the stock market. I sometimes wish I was, but I'm not.

In asking the question why that is, in an economy that's supposedly, according to some people, in crisis, this is what's here anyway: "While we live in the present, stock markets live in the future, usually about a year ahead. What they see is a set of extremely promising conditions."

I read that and then I read the local newspaper and I had a few phone calls from some people, and then on Friday went to some meetings, to find out that a local organization called the community living association—your deputy will be familiar with that. There's been a lot of activity over the last three or four years—I'm sorry,

the last actually 10 or 12 years in our area—to try to amalgamate five or six organizations that were delivering various parts of the service to developmentally challenged folks in our area.

They're at a point now in having to deal with cutbacks to their organization, approximately \$1.25 million, where they're going to have to close down a group home, a group home that supports the most fundamentally challenged of the handicapped who are in our community, sick children, children who need all kinds of medical attention around the clock. There are about 12 or 13 kids living in this group home. It's a wonderful group home. It was set up about 10 or 15 years ago in the community through great effort. Group homes are never something that all of a sudden appears. There's always tremendous community activity around that, lots of fears that have to be dealt with and everything. But that group home was set up and is working very effectively to support these children and their families as they try to live a dignified, quality life.

At the same time, they're also going to close down an integrated day care centre that has been really effective in taking some kids out of their homes and helping them socialize in a way that makes them then able to participate more fully in some of the other programs in the community, like school and the YMCA and all that kind of thing.

Two just invaluable programs, and this association, because of the cuts that it is going to have to incur—and these are cuts to programs for handicapped people. You said in your program and you've said since then that you weren't going to cut programs for the handicapped, you weren't going to hurt the handicapped in our province. In this instance we have the most fundamentally challenged of people out there being directly affected by the cuts of your government.

I want to know how you reconcile, on one hand, a corporate sector that is just making money like money's never been made before, generating profits that hopefully will be reinvested to create jobs in this province—and I'm excited about that—but at the same time making cuts to programs that are affecting directly the very most vulnerable of people, people who just cannot look after themselves in my community. I find it—and the words I've used are—morally reprehensible, irresponsible. I just can't understand it.

I was wondering if maybe you or your deputy might have some answer for me today, because I would like to be able to tell the people of Sault Ste Marie that you care, that handicapped people are not going to be hurt, and that somehow we're going to resolve this one.

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Hon Mr Tsubouchi: First of all, I just want to say I do have a concern here, particularly if it's in the disabled community and certainly with children as well. I understand this so-called, in parenthesis or italics, closure of this children's home is part of their contingency plan only and hasn't been approved by their board. I have a concern about that too. I quite agree in a lot of ways. Maybe I can ask the deputy to give us some detail on this.

Ms Sandra Lang: I will actually ask the ADM to come up and give you specifics on this, but as you know,

Mr Martin, this is part of a long-standing issue that we've had in Sault Ste Marie. There have been about eight or 10 years of work going on with that community to look at restructuring services for the developmentally handicapped. Over those years we've had ongoing chats with them about how they will work within the context of the fiscal framework they have, within the finances that government is able to provide them. The board has worked very hard, in my experience, to try to find solutions, and they have now submitted to us a plan that outlines how they will live within the context of the fiscal framework they have.

We are confident that the details of that plan will, hopefully, allow us to continue to provide services to those individuals, because we, like you, are very concerned that they continue to get care and support within that community. I've asked Sue Herbert if she'll come up, because she has the specific program management responsibility with that community and with our area office.

Ms Sue Herbert: I'm Sue Herbert, and I'm the assistant deputy minister for program management division. You're quite right, this agency has about a \$1.4-million base problem. That's been accumulated in a number of ways, partly out of the amalgamation that you referenced—that was about \$600,000, \$650,000—and partly out of a series of constraint announcements: 1%, which was constrained across all programs by the previous government, and this year, 2.5%, which was across all of our agencies and which was part of the government's announcements earlier this summer. That leaves them with a total deficit of about \$1.4 million.

The board has worked very hard. It has known for some time it has had this large deficit problem, and we have assisted it with some fiscal dollars to give it time to put a plan together. My understanding of the plan is that they can meet about \$650,000 through their own restructuring. They are and have given layoff notices to middle-management ranks and altered some programs, so they feel very confident that they can manage the \$650,000 level without affecting client service.

Their plan is to ask the union for a 5% wage rollback when they open up their collective bargaining process, which I believe starts right away. They have also developed a contingency plan, which includes the issues that you put on the table around the children's home and the child care centre.

Our understanding is that the board has not made that decision to close that home. In fact their first position is to talk to their staff and to their union about a wage rollback. That's the position they've taken as their focus for trying to get their base issues under control.

Mr Martin: They know, and I think you know, that even the 5%, if the union was agreeable to that, is not going to give them what they need to keep all the programs that they offer open and operating. It just isn't enough, plus the constraint that they're trying to build in is not just 2.5%; it's a 5% constraint, because they're expecting another 2.5% somewhere down the line.

Ms Herbert: For this year. That's right.

Mr Martin: They're also being told now, the ministry is hearing up in our area that we're looking at further

reductions, not far down the road either, in the amount of money they're going to get to run these programs. It's forcing this association that, as you say, has worked very hard to try to accommodate, because they've also had some crisis management to do.

They've had a couple of cases of people coming home from institutions who were difficult to manage, plus they had a sexual assault situation they had to deal with and the recommendation of the report on that. Now they find themselves—and I've talked to the association. I talked to the executive director and everybody on Friday, Bud Wildman and I did, and they're beside themselves too.

They don't want to do this, and what they're telling me is that eventually what they're going to have to do is trade off one program versus another. That's what's happening at this point in time. You have the union, which I think would be happy to live with what they have. They're being asked to give up and they're looking at that. They don't want to. Nobody wants to do that, and really, from an economic sense, it's money out of our community that we need at this particular point in time to keep ourselves around and all the rest of it.

We think your commitment to not hurting the disadvantaged and the handicapped in this instance should be honoured and that these people should get what they were promised they would get when they amalgamated. All the way through the amalgamation they were told, "If you come together, if you amalgamate"—and I was at the meetings. They were backing the downsizing of personnel, there would not be a diminishing of program, and the government would be willing to come forward with the resources necessary to make sure that they could continue to deliver the services that over the years have been built up as we brought people home from places like Orillia and Smiths Falls so they could live within Sault Ste Marie and Algoma.

We're finding at this particular point in time—and it's a big issue out there; it's all over the papers—that this organization is just not able to—as my colleague said here, the children's aid society has mandated things that they need to do. So does this organization. It needs to look after these people because they can't do it themselves.

You know the consequences of moving these folks out. If you close down that group home—and I read into your statement that maybe there are other ways of looking after these folks in the community. Well, there aren't any other ways that are as cost-effective or as supportive in terms of quality of life and dignity of the people.

They need the money. As simple as that. They need the money to be able to continue to provide that service, and they have a moral responsibility to do that. Otherwise, some of these kids—and I hate to say this—are going to die and some of these families are going to have such pressure applied if they have to take them home and look after them there. We had one single mother in one of the homes I was in and talking to who said she just could not conceive of having to take her son home full-time any more.

The Chair: You have about 10 seconds.

Mr Martin: She just couldn't handle that.

Anyway, I'm hoping that we'll get some kind of positive response out of this government to say that this association is going to be able to provide the kind of service we've all come to expect of them over the last few years and that it will honour the commitments that were made as the amalgamation happened.

The Chair: Time for the Conservatives now for 30 minutes.

Mrs Ross: Minister, first of all I'd like to make a few comments. I don't think any of the parties would disagree that government spending has really gone out of control and that we have to cut back government spending. I don't think that's a problem here.

A lot of the talk we're hearing concerns the welfare rolls and what's happening with those welfare rolls. I know in my community the rolls have dropped dramatically and Mike Schuster of the regional social services department feels that a lot of them are because people have found jobs. A lot of them are young people who, when they find that new eligibility requirements are placed on them, would rather go back to school, back to their home, so they've dropped out of the welfare rolls as well. How much money has been saved by the drop in welfare rates?

Hon Mr Tsoubouchi: Thank you for your question. I think some of the other members might disagree in terms of the welfare decline, but certainly there's a strong indication that I hope things have changed and changed for the better in the province right now.

To really give you the context on this in terms of the numbers a little bit more, in December 1995 nearly 4,560 fewer households or about 10,680 individuals relied on social assistance than in November 1995, and that's a drop of 0.7% in the number of cases from the previous month. We're encouraged by the decline, of course, which was the sixth consecutive decline, and since then we've heard about January, which was a further decline.

Up to January of this year we have now had a reduction of about 59,000 cases, which represent about 199,000 people throughout the province who have left the system, and our goal is to get Ontario working year-round and to preserve the social assistance for people who are most in need. In terms of the actual costs, I think that up to date around \$100 million has been saved as a result of the caseload decline.

Once again, our aim here is to try to improve people's situations, and certainly the decline in the caseloads indicates that. I can only say things anecdotally, as you can right now, in terms of what has happened. But I've heard a lot of response back from the communities out there that, yes, the government's working very closely and is to be commended for the work it has done.

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Mrs Ross: I'd like to address the issue of consultation. We hear a lot of words from the opposition stating that they'd like to know what type of consultation is taking place. Every member, at least on this side of the Legislature I know, meets on a continuing basis with people in the community. I myself have met with all kinds of social service agencies, and to be quite honest with you, I'm amazed at how many there are out there, how many groups are out there offering assistance for numerous

things. There's a lot of duplication going on out there. I see that happening.

When we talk about service clubs, I was approached by a member of the Kiwanis Club who offered their services to try to help in training for workfare. So to say that they're not coming forward is wrong because they have come forward, and I believe that this gentleman has even met with your staff to discuss what they can do to help.

I have met with people at GHTEC, the Greater Hamilton Technology Enterprise Centre, which I think you're very familiar with. I'm very proud of Hamilton-Wentworth being a leader in this type of thing where they have incubator programs for small businesses. The business advisory centre provides a whole year of advice and help to people on unemployment. It's funded federally, but it's a good program and something we're looking at.

They fund them for a year, they help them with their business plan and they keep monitoring month by month to make sure they're on the right track and they're not falling through the cracks. They continue that after the year, every six months to see how they're doing. In that particular program, 202 businesses were started and have created 510 jobs, so I think it's a good program, something we're looking at, and we've met and talked about that.

I was at St Charles Adult Education Centre last Friday and talked with them. I haven't told you this yet, but they have a great program there. They have several as a matter of fact. They have one program where they help adults to finish their grade 12 education. They also have a program which is a cooperative education program, and they have employers waiting for people to come out of that program.

They have another program at the GHTEC centre called Helping Hands, which I think you've heard about as well. Helping Hands is a program where people on welfare offer their services to the region of Hamilton-Wentworth. It's a unique program because what they do is basically—I don't know what you call it—maybe a handyman-type thing. They can go in for seniors. Where seniors need help perhaps in cleaning their house, they might help do that, or they might help them with their outside gardening and that sort of thing. It's proven to be highly successful, because these people really want to do something for the money they're getting paid. They really want to work is what they want, and this is one way of them starting into that.

I was at Amity Goodwill last week and the Marty Karl Centre as well. Both those groups have programs working with employers, getting people back to work. It was quite a moving experience at Amity, where people who are handicapped in various ways, two of them received full-time employment after working for two months with certain employers.

So there are lots of good things happening out there and it's sad that we don't get a little bit more positive messages as opposed to all the negative coming. These people really want to work and we really want to help them work.

One of the things that's happening in Hamilton-Wentworth—you talk about adopt-a-highway and that sort

of thing. We have a mayor who started a program of planting flowers at the intersections of our streets. Of course, because of all the cutbacks, this was one project they were going to cut or were looking at cutting. It cost \$800,000 to the region—or to the city; it's a city project. The private sector has come on board. Lots of nurseries are phoning in offering and adopting corners.

I was thinking about that the other day, that wouldn't that be a unique opportunity for someone to learn about horticulture through that type of effort? There are lots of opportunities out there. I sit on the Ontario Works committee with Minister Tsubouchi. I haven't presented this adopt-a-corner to him, yet he's hearing some things because I've been meeting with these people over the last couple of weeks.

Mr Cooke made the point that workfare is the most important program coming out of this ministry. I agree. It is, and that's why it's taking some time to develop. There are lots of good ideas. The thing is, you can't put forward a program and then find out it doesn't work. That's why we're working towards Ontario-made opportunities for people. I'm proud of the work being done, and I know it's going to come forward once we continue looking at some of these other projects.

I want to address a couple of points made by Mr Cooke when he said three people have frozen to death, almost as though he was blaming you for that. I want to refer to a couple of articles in the paper, one that said, "Hostel beds empty while three men died." The fact that these homeless people didn't want to go to shelters is not your fault. I just wanted to mention that to you. I think that's wrong, to misguide people. By the way, at the same time as I heard that on the radio the other day, I heard that 311 people, I think it was, had died across the United States because of the cold weather. It does happen, and it's unfortunate that it does happen.

In the Ministry of Consumer and Social Services, in light of the government's spending cutbacks we're trying to put forward in restructuring ministries, can you tell me what steps you've taken with respect to restructuring?

Hon Mr Tsubouchi: Just before I answer the question, I want to comment a bit on what you said and the value of having the MPPs, who have their finger on the pulse of their respective communities. I hold that out to not only our people but other MPPs in their areas. If you have programs that you think are workable and cost-effective and will help people back to work, please tell us. We have to address all areas of this province, not just areas in which we have MPPs. That's very important.

Just a comment on the incubator program you have in Hamilton: It was a very exciting program that I saw when we were there. It's a program in which people on social assistance are encouraged and helped to create their own businesses. The people I saw were I guess the next generation of the program; their businesses had been in operation for a year or two, were successful, and in fact they had started hiring people from social assistance to work for them. It's a very good program, I thought. It's not a concept in Hamilton alone, but I've seen some other areas where that has been as well.

Mrs Ross: But ours was best, I'm sure.

Hon Mr Tsubouchi: I can't compare it here.

The other thing, in terms of programs for the developmentally handicapped, is that the developmentally handicapped do not have to participate in our workfare program. However, it's important for us to assist them in any way we can if they want to work, and I think many do. That's why we have to look at programs to assist them—outside the context of workfare, of course, but in the context of development services, because that's very important to assist them back to work.

I saw a really good program in Kitchener, at University Heights school, where they had been working very closely with the business community, with such groups as Kuntz Electroplating and Wal-Mart, who were hiring developmentally disadvantaged people from the program to work in full-time jobs. I'll tell you, the excitement of people from these communities at being able to work was the best reward any of these people could have gotten.

One other comment before I get into your answer: Another program I saw was an organization called New Leaf, an interesting program again in the developmentally disadvantaged area, where they work on a farm and the products they make there make them self-sufficient. It's quite a good program.

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Many of these programs weren't started by our government, obviously, because we haven't been in long enough. What I'm trying to give you is a sense that there are a lot of good programs out there in different areas. We are depending on government representatives, the MPPs, to assist us to find the best solutions for all this.

Having said that, a lot of what we're looking towards in terms of our restructuring efforts—first of all, the core message is that we're trying to manage an affordable, better, more effective system of social services, one that's based on incentives for economic independence and assisting and providing essential supports to those most in need. Based on that basic mandate, we're doing a lot of consultation, as you well know.

I think our government's in the right direction, to work with organizations. There's a challenge out there, I know, and most of the organizations are very cognizant of the fact that there are fiscal limitations. What's important for us to say to them is, "We will work with you and we will let you work with us and help us formulate what's important"—not just lip-service, not just rubber-stamping. What's the point? "Here you go. It's done. Rubber-stamp it." That's not, to me, consultation. They really need to have some direct and very important consultation.

The first time I met Noel Churchman, who is with Christian Horizons, an organization in the DS area, the first thing he said was, "I realize that some fiscal constraints apply, but we want to have flexibility, we want to be able to have some say in terms of how that money is going to be well spent for our community's organizations." That's not an unreasonable request to make, and that's why it's important for us to have some real consultation and use these models within the community itself.

We're criticized sometimes for moving too quickly, but when areas are so important to us, we have to work with communities to find the solutions. The ultimate aim in all this is to make it a better system. That's what the key is:

a better system. Yes, we have to be more efficient, but better is our ultimate aim for all this.

Mr Toby Barrett (Norfolk): My question also relates to welfare rates. We know that they previously were 30% higher than in the other provinces in the Dominion. Benefits have been lowered, to a level that's still 10% above the average for other provinces. Incidentally, and I really am not clear on the relationship, my riding has also seen an 11% decline in the welfare caseload.

However, I feel that new programs being developed to get people off welfare are still being hampered in the sense that no program can compete with the allure of free cheques in the mail sent to otherwise normal, healthy people. This may sound old-fashioned, but we truly must replace our failed welfare system with more compassionate solutions rather than strings of cheques—solutions that encourage work, as we've heard today, family reliance and marriage, for that matter. Probably the most discriminated against in our society are fatherless children, and a very large percentage of these people have ended up on our welfare caseload. We need solutions other than a life of dependency on government cheques.

What better system or culture can we be developing to get people off welfare that can compete with this money that has so easily flowed in the past and continues to flow, perhaps to a lesser extent, but the cheques continue to come in? How can we change this culture, in certain groups, of dependency on this regular receipt of cheques?

Hon Mr Tsubouchi: What you're alluding to, and what we're all working very furiously on, is our workfare program, which is really intended to change the basic thinking and try to help people out of the cycle of dependency—once again, \$40 billion over the last 10 years without really having a lot of results.

I recall that my predecessor, Tony Silipo, indicated that his solution for dealing with the welfare problem was to increase benefits by 18.5%, I believe the figure was. Obviously, that approach did not work. What we need to do right now is get into programs that will promote self-sufficiency, will promote people taking more responsibility for themselves and their families again. Clearly, this is going to be the direction we take with Ontario Works.

I might take the opportunity now to mention some of the background. Mr Cooke asked me the question and I didn't get a chance to really answer it; perhaps I can do that now to give some context. I'm really sorry I didn't have an opportunity to do that before, but I will do it now.

First of all, Ontario Works is going to be mandatory. That means that all able-bodied recipients are required to participate in the mandatory workfare program and those who refuse will receive no benefits. The welfare centres will become Ontario centres where workers help recipients find opportunities. The current delivery system will be streamlined by integrating it to remove confusion and overlap.

Ontario Works and the private sector—the larger corporate sector and the small business community—will be asked to join the fight to reform welfare by sponsoring placement opportunities. The private sector will play a key role in bringing back hope to people trapped on social assistance.

Ontario Works and the public volunteer sector, municipalities, volunteer organizations, service groups, trade unions and other non-profit organizations, will also identify potential placements, matching people with opportunities and skills. Recipients will be matched with local placements, to use skills while providing services for sponsors or to attend literacy training, job preparation courses, education or training, much like our colleague has indicated.

Developing the opportunity network will assist in coordinating Ontario Works through a central registry on all recipients and a province-wide placement opportunity database. To break down barriers to work, child care will be essential to the success of welfare reform. As I said before, that's part of the puzzle Janet Ecker is working on right now in the child care review. Of course, we'll draw on the experiences of other jurisdictions and work with front-line workers to develop innovative programs.

That's really what we're doing right now. We're going to be providing opportunities, and you're quite right. I still recall what a gentleman said to me at the YMCA in St Catharines. His name was Richard; I'm sorry I don't recall his last name. This gentleman had been on social assistance. He had gone through this particular YMCA's program. He was working for them, incidentally.

It was very moving when he was speaking about his own experience, because it's a personal experience you're talking about and it's very difficult to share these things. He basic problem, as he said himself, was that he had the welfare state of mind, which meant he believed that somehow there was an entitlement. He was trapped. He said this himself. He was in the welfare trap, and what he needed to have was someone to work with him to give him the skills—exactly your point—to get back in the workplace, but also working, he said, on a spiritual level so he realized that he could do it. That's where some of the life skills programs that will be necessary for these people will come into effect as well.

Be summed it up greatly. He said: "Now I'm working. My wife used to be on the system as well. She is working now too. A lot of it was that I needed to know I could do it." He said that now that he has done it, he spoke very highly of the YMCA's program in St Catharines, and it was a good program.

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Mr Barrett: With respect to workfare, in my riding there's certainly a common body of opinion that nobody ever got rich on welfare, and I think anyone who is lulled into that way of thinking is really doing themselves a disservice. I agree that work and not the failed welfare schemes—truly destroying many people whom we would classify as poor, and those who are paying their taxes; as Conservatives, we are concerned about the group in society that is footing the bill as well.

We must replace welfare with work and we cannot afford merely to toy with reform. Oftentimes I've been asked, should we force people to work? Of course not. Those who voluntarily wish to remain in that category of poor, for example, in my opinion can be our guest; merely, the flow of welfare cheques will not continue to them. It's their choice. We are not forcing people to work. It's their decision. That's my only comment on that.

Mr Peter Preston (Brant-Haldimand): I have a number of comments. Some members have been questioning you, Minister, about the details of Ontario Works. It would do nothing but serve their purpose to have a jerry-made plan fired out there and have it fail so they could jump up and down with glee and say, "Look what you did."

Mr Michael Brown: Same with Bill 26. It worked well for us.

Mr Preston: There are a couple of questions you may not have wanted to answer but there are a couple I'm going to answer. The question was, has private enterprise shown any interest? I'm one of those people who is submitting a program to your committee, and yes, private enterprise and the private sector, to be divided from private enterprise, which means the conservation groups, the service clubs, have shown a great deal of interest. So there is a lot of interest in Ontario Works from all factions of the society out there.

There was a comment made regarding teenagers coming off welfare. If we can prevent a teen from leaving home because he doesn't want to cut the lawn or doesn't want to do the dishes or doesn't want to live up to a curfew by cutting off his welfare, then I think it should be done; not to take away from the child who has been abused, who has been emotionally abused, who should collect, who should be housed somewhere else. I'm talking about the ones who leave home just because they don't like living under rules.

I have an awful lot of experience in the CAS situation. When it comes time for CAS cuts, 99% of the time they are dropped straight down to the caregiver. On the question about CAS cuts, the transfer payment recipients in the past, and I won't give you a number of years, have been told in January and February, "You have \$30,000 to spend; you'd better do it or you'll lose it." Should that not be addressed? Should the cuts not take care of that type of thing? I know of a secure facility that spent the \$30,000 on mountain bikes and canoes. Put those two things together: "secure facility." They're not allowed to leave the building and they spent the residual of their financial year on mountain bikes and canoes.

Laughter.

Mr Preston: Somebody's laughing awfully hard over there; probably knows the facility.

Should that not be addressed as not a cut but a way to save money? There are savings to be made. Let's call them savings rather than cuts. Let's look after the people who absolutely need it. Let's call a spade a spade and say yes, one in 10 is being paid by the private citizen out there. What magic box would you get your money out of if it didn't come from the individual who's paying the taxes? It has to be the taxpayer who is paying for the one in 10 on welfare. Fact. End of story. Thank you very much. No question for you to answer either.

Hon Mr Tsubouchi: Could I respond to Mr Preston?

The Chair: Go right ahead.

Hon Mr Tsubouchi: I just want to give some clarification in one of the areas, in dealing with the 16- and 17-year-old eligibility, the area you spoke about. I want to give members the criteria just to put it on the record.

The Chair: About a minute now to do all that.

Hon Mr Tsubouchi: There are three criteria, basically: that the family assessment take place and shall take place within a specified time and that it be demonstrated that the youth maintains a contact with a responsible adult; that the youth attend either school or approved training; and that assistance is cancelled for any unjustified absences. There's also indication of adult supervision.

Those are the criteria under which the 16- and 17-year-olds can receive assistance, and if there are people who fit into that category who truly need it, they will get it. That's what that's indicating.

The Chair: You had a quick question, a quick point. You have a minute you can do that in. I know you had to wait all this hour to come round.

Mr Baird: I couldn't make this point in a minute, nor could I get the answer in a minute either.

The Chair: Okay. Save it up for tomorrow.

Mr Baird: It's a good one for tomorrow. I'll sharpen it up over the evening.

The Chair: The Liberals have 30 minutes now.

Mr Michael Brown: I continue to be interested in your workfare program; and in a helpful sort of way, I've heard some of the suggestions and the good programs that your side has been chatting about, and obviously they were not just invented in the last six months or a year or five years or 10 years. A lot of the ideas have been around for quite a while. One of the things I think is a fear on this side, if you're really concerned about efficiency and affordability and achieving your goals—I think the member for Hamilton West spoke to it.

Hon Mr Tsubouchi: Ms Ross.

Mr Michael Brown: Ms Ross mentioned the federal program on incubating businesses. My fear, and it's a fear that comes from just a plain old constituency politician, is that the province then will say, "Gee, that's a good idea; let's go set up an office and let's go do it for our social assistance people," where to me it would make far more sense to go to the federal government and say: "Gee, you've got a good program that's working for UI recipients. Why don't we do this with them, because the last time I looked they had a physical problem that makes yours look pretty simple?"

Why don't you, instead of going out and duplicating a service already working, happening in a community, approach the federal government and see if we can work out some accommodation that works well for the taxpayer, not just the provincial government?

Hon Mr Tsubouchi: You're dead right on the money. I want to say a few things with respect to this. First of all we're looking for made-in-Ontario solutions, and the other thing I say is, don't try to reinvent the wheel here. Number two, you're quite right about the federal government. As you know, there's been a bit of a change there with Mr Axworthy going and Mr Young coming in.

Mr Michael Brown: I noticed that.

Hon Mr Tsubouchi: It kind of stuck us in limbo in a number of areas.

The Chair: I know the feeling.

Hon Mr Tsubouchi: We're trying to address a number of issues with Mr Young. Certainly, child care is one of the areas that is important to us, but also the training

programs and how that's going to fit in the context of what we're doing.

You're quite right that once again we come to this one-taxpayer thing. It's one taxpayer, whether it's federal money, provincial money or municipal money. Let's try to do things efficiently. That's one of the things I'd like to discuss with Mr Young. You're quite right. One of the things that is happening in a number of areas is that there are some joint offices they have in which they're trying to combine the unemployment facility along with the various social assistance areas. That's another area that we should look at in terms of, why duplicate the functions out in the communities if we can work cooperatively with another form of government? I know that in Alberta they're doing something like that.

1700

Mr Michael Brown: Just to follow up, because I think we're speaking the same language here—I think it's critically important that even though we're in opposition and that's our job, when we see constructive things they could maybe happen—on that same topic, I think you'd be surprised to know that with the JobLink program operated by your ministry, for example, I know of at least two instances where essentially what it did was subsidize the federal government's program. In other words, you went into the same office, provided them with \$60,000 to do exactly what they were already doing or very similar. I know of at least one employment or manpower, whatever they call themselves, operation that was very happy to get the extra \$60,000. He himself questioned whether there would be any added value in that service.

I am, however, coming back to the question of displacement of the workforce. I've seen this happen too often. You have to be there in the constituency to know. You mentioned reinventing the wheel. This very same discussion was happening in Great Britain in the middle of the last century, kind of differentiating the worthy poor from those who weren't any good and all that kind of good stuff. So there's nothing new under the sun. I don't think that we need to belabour the partisan aspects of this, but we do need to make sure that what you do is effective at the end of the day.

My concern is—and I guess you might want to speak to this—define "work" for me. What is real work? Most people believe real work to be something that somebody would pay them for. You all do volunteer work and things like that but we assume that no one will pay you for that. That's why you do it; you're doing something for your community. Is that sort of your definition, that it adds real value, real value being defined by the willingness of an employer to pay you to do it? If an employer isn't willing to pay you to do it or you cannot, as a private businessperson, make some money doing it, is that work in the true sense of the word?

Hon Mr Tsubouchi: I think there are various types of work that have value, not necessarily all of them connected with a monetary amount. If you do work to improve your community somehow, that has value. I certainly don't think I would eliminate from any of our thinking that what you define as work for community work or whatever it is doesn't have any value; I think it does.

Mr Michael Brown: I'm not saying that. What I'm saying is, in your definition of "work," is it something that someone would have to be willing to pay you for before you decide that it's work in the labour sense of the market? I'm not diminishing volunteerism. I understand it perfectly. Like all of us, I've done a heck of my share.

Hon Mr Tsubouchi: I'm sure you have to get to where you are. I think that, once again, there are the two prongs of this program. You've got the employment programs, which are intended to get you into work that will pay you an actual dollar figure, and then you've got the work, if for whatever reason you remain on the welfare rolls, to earn your welfare cheque. That type of work is work that's intended to improve your community. I don't think you can define that as work that you would necessarily get paid for, but it might fill some sort of niche someplace.

I know that up in my own area, for example, the Optimist Club was working on bicycle paths just around the river. It was never intended for anyone else to do it, just something they decided to do as a project, except they just didn't have the manpower to really finish it. But what they were doing as they were working on it certainly had value to the community.

Mr Michael Brown: I guess what I was trying to establish here is that it doesn't need to be work that the market would consider work in the sense of, "It's worth \$7 an hour or \$8 an hour and this is what I'm going to pay."

Hon Mr Tsubouchi: I think as long as it has value to the community, that would be considered work.

Mr Michael Brown: Then I guess the point I'm trying to get to is, if we look at this, most of this would then be pseudo-volunteer work. It has value but nobody's willing to pay.

Hon Mr Tsubouchi: There's a niche there someplace where volunteers aren't taking care of a certain area either, and once again I think there are many things that are coming up as suggestions from the actual communities right now as to these areas they can fill.

Mr Michael Brown: Well, my point being, and again this is—

Hon Mr Tsubouchi: Job displacement.

Mr Michael Brown: There is some job displacement, and I think also—it shouldn't happen this way but in my experience it sometimes does—people who are volunteering often have some difficulty working alongside someone who's being paying paid to volunteer. We see this often in ambulance services, in fire departments. It's kind of human nature. "Why should I be doing it for free? John here is doing it for money." Is that not a concern, and will you not have to structure your programs so you don't build in those kinds of disincentives?

Hon Mr Tsubouchi: I think first of all we're certainly aware that we don't want a work-for-welfare plan to displace someone who's actually getting paid for doing something. I think that's one of our givens.

But secondly, in terms of your concern about whether or not someone who's being paid can work with someone who I suppose is getting paid, because they are getting their welfare cheque for it, working alongside of volunteers, there are a number of programs I've seen where co-

op students, who are summer students, are being paid yet work with volunteers, and there's not really a resentment about that. But I think it's in the context in which it's seen, perhaps.

Mr Michael Brown: I think by and large you're right, but there are certain situations where, personally, it doesn't work very well. I'm just suggesting you build into the criteria a message that you don't actually discourage a volunteer in an organization from participating, because I think there's—

Hon Mr Tsubouchi: You're right.

Mr Michael Brown: This is not going to be easy to be structured, is what I'm—

Hon Mr Tsubouchi: You're right about volunteerism, and that certainly has a very important place in the province still. I know I've had some discussions with Julia Munro, who is in charge of the volunteer perspective for the province, in terms of how this is going to work together. Once again, that is a consideration; you're quite right.

Mr Michael Brown: I want to just come back to community living. I have some very deep concerns about what's going on in that sector. We've seen some programs cancelled under another government, for example, in the community living situation. I think probably in the province broadly it was a good idea. Specifically, it was a bad idea. I talk about sheltered workshops, for example.

The idea is to put the people out into the community and involve them. Great idea, I think, except that in certain situations it just is not a possibility. I think of a couple of community living groups in my area where the critical mass just isn't there. It costs the government far more to actually have a few people working rather than to have many people working in a setting they quite enjoyed and where they were still involved in the community. I wonder if you're going to be as dogmatic as the previous government in terms of those sheltered workshop and farm operations.

Hon Mr Tsubouchi: Actually, one of the examples that I did see was the New Leaf program, and that was a farm operation. But I suggest if you ever want to see a program that works well and works well at really having people—you know, when you get into the developmentally disadvantaged area, you want to see people have some improvement in their life somehow. This particular program had taken some very difficult situations, and through this program—I'll tell you, these people were doubly handicapped in this program, both developmentally and physically as well. It's been a very successful program.

But I take your point that you can't get square pegs in round holes, that you have to look at the programs and there's a variety of needs out there. That's why it's important for us to work with the developmental services area to find out what solutions they do need. You can't slam, bam, put something in a program that doesn't work for them. You have to have various solutions out there. It's no different, our thinking in this, than yours. We all want to do some good for the developmentally handicapped area; it's important to all of us. But that's one of the reasons why an organization like the Ontario Association for Community Living is at the table with us right

now in terms of helping us to form our structure, so they have some direct input into what we're doing.

1710

You're quite right, but you see, you should—I was going to say, "You should be there." But some of the discussions we have are very interesting because of the variety of the different organizations that are involved. Let me just give you an idea quickly; this won't take me long to just say this:

Christian Horizons; Federation of Ontario Facility Liaison Groups; Great Lakes Society for Development Services of Ontario; Metropolitan Agencies Representatives' Council—that's MARC; Ontario Association for Community Living; People First; Provincial Coalition on Special Services At Home; Special Services At Home Family Alliance. These are all the people who are at the table right now and involved in discussions with us to find these solutions.

You're right, because you're evidencing some concern about the types of programs that we're going to provide in these areas. That's why these people are involved with this, because they can have some direct input into what they need. So we can hear directly from them as well. I think one of the failings sometimes when you're sitting in the minister's office is not being able to really hear what people in the front lines are saying to you, because of the various procedures you have to go through. Not that they're not good people who are working for me; they are, but sometimes because of the time involved with it, it's a bit of a lag. This way, we sit down, we have some direct discussions with these various communities.

I'll tell you, they're very pleased with the process. You can see by the variety of programs, and some of them quite different in terms of their ideologies—if you look at the facilities group and you look at community living, that's two divergent points of view. Yet somehow they've been able to overcome a lot of these philosophical differences, to sit down at a table to try and find out the right solution for their community. So I take your point; your point's well taken.

Mr Michael Brown: I'm going to go back and tell the Espanola and District Association for Community Living and the Manitoulin District Association for Community Living that you think they could move back towards sheltered workshops and you're going to permit the flexibility within their budgets to reallocate from some other programs to do that.

Hon Mr Tsubouchi: Don't take me too far. What I am saying, though, is—

Mr Michael Brown: Darn.

Hon Mr Tsubouchi: —we want to work with them for some solutions. What you might want to say to them is this: Have them speak to the umbrella group, the Ontario Association for Community Living, and have them indicate their point of view there.

Mr Michael Brown: That's one of the problems, and it's a problem all governments have: Sometimes, in the scheme of things, organizations from my part of the world, which are unfortunately on the geographic fringe of the major organization, don't get their views through

to their own organization very effectively. I don't know what you do about that—

Hon Mr Tsubouchi: I try to meet with a lot of them.

Mr Michael Brown: —but sometimes it is just not possible for some groups to have the same kind of impact, and you get a message that you would understand from the major group which doesn't reflect some of the other organizations within it.

Hon Mr Tsubouchi: Let me just indicate that I think it's very important for communities to make some decisions too. I think that's an important decision for you community-wise. Then I think they should at least convey this to you. If you want to sit down and talk with me, I'm more than happy to do that.

Mr Michael Brown: Thank you.

Mr Cleary: I am going to get a copy of Hansard here and pass that along to my community living people too, because they have great concerns. In fact, I've just had some of them in the office recently where some of the people whom they tried to look after the best they could have been transferred out a long way from their home. The parents and the families are very concerned about that.

I've got a number of things here, so if I stray a little bit—I'll do my best not to. I think we're in a mess here, and I think we all have to work together and I would hope we can do that, but it's mighty hard for the opposition members—and I get into that weekly in my constituency office meetings—all these changes with no guidelines. I've never been used to working that way and I find it very frustrating, especially since this government took over. Not only municipalities are frustrated over some restructuring; other groups are too, so your consultation hasn't been hitting all parts of Ontario the way it should be.

The other thing I wanted to ask you here is on the workfare issue. You would work with the federal government on a project on that?

Hon Mr Tsubouchi: I think one of the things that's on the table for us to discuss with Mr Young is how the federal government can work with the province. Certainly there are a number of points where we have to talk; the talking points are the training dollars that he has. I don't know where we are right now with it, because Mr Axworthy had a certain direction. I don't know if Mr Young is going to continue that. I know Mr Young has indicated that he does want to meet with me, and we're going to get together. But you're right. I think we have to find out how we can efficiently work together, because once again, there's only one taxpayer here. Let's make the most efficient use of the dollars.

Mr Cleary: I know a couple of incidents that I've been involved in for a number of years now since it happened, where there is going to be federal money available, it could be available for a project, but they're looking for partners.

Hon Mr Tsubouchi: I think "could be" is the answer. "Could be" is the part of that statement we're trying to really fix.

Mr Cleary: They're looking for assistance. It happens to be owned by the province of Ontario too. I would hope that something could be worked out.

Now that Mr Preston is back, I just want to say that I totally agree with him on the mountain bikes and the canoes, but there are other things that I don't agree with that you're doing.

Interjection: Say it's not so.

Mr Cleary: That has been a sore spot with me for many years. At the end of a year, if you don't spend your money, you lose it. And it's all three parties. One party is just as guilty as the other.

Mr Preston: I didn't put a time frame on it.

Mr Cleary: No. It goes back a lot of years.

Interjection: At least 10 years.

Mr Cleary: A lot of years.

I was pleased to see that the minister was working with the developmentally handicapped. I know I've tried to work with them to the best of my ability for many years too. In fact, I had some enumerators who went with others and they thought that was the best thing that ever happened to them. They thought they were part of society. I would hope we would all look to doing things like that, because they need a little light too at the end of the tunnel.

Hon Mr Tsubouchi: I can tell you right now that I look out there and everyone is going like this.

Mr Cleary: It's serious.

Hon Mr Tsubouchi: Everybody in turn was doing that.

Mr Cleary: There are lots of things those people can do just as good or maybe better than others and they get a lot of pride from it.

Having said that, the other thing is I want to get back to the welfare fraud. I want to hear what you have to say about some who could be collecting—I say could be collecting; according to the paper they have been collecting—who don't even live within the boundaries of Ontario. What's happening there?

Hon Mr Tsubouchi: You're bringing up a very good point again. One of the things we're trying to do right now is work out some agreements with other jurisdictions. You're quite right. I think some of the problematic areas could be the Manitoba border, the Quebec border—

Mr Cleary: And others.

Hon Mr Tsubouchi:—and others as well. We're actively right now pursuing agreements with a number of jurisdictions, including New Brunswick, Nova Scotia, Quebec, Manitoba, Saskatchewan, Alberta, BC, and with the federal government and some of its various departments as well, such as unemployment insurance, old age security, CPP and Revenue Canada. What we have to do is overcome some of the concerns, of course, of the privacy commissioner, who has a concern in terms of information sharing, but currently we have some agreements right now, even within our own, but certainly right now with Citizenship and Immigration Canada, we've just worked out something there, and we have some projects on tap. For example, Peel is a pilot project working with the feds.

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But you're right, I think the information is very important. When I was speaking to one of my colleagues out west, Bonnie Mitchelson from Manitoba, everyone across the country realized that it's important for us to

have, this information sharing, so we prevent fraud. You're quite right. Any fraud is unacceptable, and I think we'd all agree with you there.

Mr Cleary: Okay. The other thing I know you mentioned was your hotline, your snitch hotline or whatever you want to call it, on fraud.

Hon Mr Tsubouchi: Those weren't my words.

Mr Cleary: What were your words? Welfare snitch-line? You know that many municipalities have already had that going for years. I'd just like to know, how much did this cost to set this provincial operation up?

Hon Mr Tsubouchi: First of all, I'll get one of my staff to indicate that to you, but just to give you some context with it because you did indicate—I want to give you a chance to say this again, it's 1-800-394-STOP.

Mr Cleary: Yes, we know.

Hon Mr Tsubouchi: I think you're right. There have been other areas and other provinces that have tried this before with some success. I might just indicate Manitoba, for example, which has about a tenth of our caseload and a tenth of our population, in its first year of operation saved \$2.4 million in this particular area. But at this point in time, with respect to your questions about cost, I'll turn it over to Kevin Costante, who is the ADM in this area.

Mr Kevin Costante: My name is Kevin Costante, assistant deputy minister of social assistance. The cost to set up the hotline this year and to run it from October 2, when it started up, till March 31, is approximately \$228,000 this year. That's staff, computers, telephone lines etc. We're estimating to run it for a full year, next year, at about \$218,000.

Mr Cleary: Okay. How many cases have been investigated since you put the line in?

Mr Costante: There are approximately 8,800 cases that have been referred out to our field offices and to municipal offices to investigate to see if there's something there to follow up on.

Mr Cleary: How many convictions are resulting?

Mr Costante: Usually, these things take some time. Our welfare field workers make sure that the person is on social assistance, check out the nature of the fraud. If there is something there, they refer it to an eligibility review officer. Sometimes it's just a mistake, perhaps by the client, didn't know they were supposed to do something, and some of those things are corrected and we get the money back through overpayments.

If it is intentional fraud that we have some solid evidence on, there is a referral over to the police. They have to conduct an investigation. That often takes some time. So as yet, we're expecting our first reports back later this month, early March, and we'll have a better indication of some initial results, anyway, later in March.

Mr Cleary: In your opinion, what percentage has been legitimate?

Mr Costante: I think we have to check it out further. This is a new business for the province. I think as the minister said, there's been some good experience in Manitoba, and we hope that we would also benefit. I think you also noted in your remarks that a number of municipalities in Ontario have fraud hotlines themselves.

Toronto's had one. I believe there's been one in Sault Ste Marie and a few other communities as well.

Mr Cleary: So to date, there hasn't been anything saved in that period of time to your knowledge?

Mr Costante: There may have been. Sorry, we're not getting our first reports in until later this month, and those reports will report on some of the cases from October. It takes some time, as I indicated, to investigate these things. It's not just automatic, particularly if it is a case of intentional fraud where we have to go through the police and the court system. That takes months. It's not a quick process.

Mr Cleary: We heard about new ID cards being proposed. What's the status on those?

Mr Costante: The ministry is currently looking at cards with a number of other ministries—the Ministry of Health, the Ministry of Transportation, the Ministry of Consumer and Commercial Relations—to see if we can get some economies through reducing the number of cards, keeping the cards at a minimum, perhaps one card. That review is going on. There are a lot of privacy considerations and also the business needs of the various ministries that need to be reconciled before we can come up with a final solution. That's being looked at very actively right now.

Mr Cleary: When do you think it might be introduced?

Mr Costante: We have some development to go through and then we have to take it into the formal decision-making process of the government. I don't think I can guess at a date.

Mr Cleary: So you wouldn't know how much the cost of this ID card might be either, to the Ministry of Community and Social Services?

Mr Costante: As I said, we're looking at combining with other card projects. The Ministry of Health already has a card, as does the Ministry of Transportation. I think it's looking at those opportunities so that we're not duplicating and causing a lot of additional expense.

Mr Cleary: In your opinion, how much welfare fraud is there out there?

Mr Costante: That's been asked many times; I don't think there's any definitive answer to it. We've also surveyed our sister provinces to see if they can—and no one will really own up, if you will, to the amount of fraud. The clients don't come forward and say, "I'm defrauding the system," so you don't really know.

There were estimates done for the Social Assistance Review Committee back in 1987 that suggested that the amount of fraud in the system was around 3%, so that number has been around. There was a recent report done by the Fraser Institute that talked about a level of fraud and client error in the 8% to 10% range. There are all other sorts of things. I don't think we have an accurate fix on it. I think with the introduction of the fraud line and our follow-up on that, we'll have a better fix. Certainly, we pursue all tips and complaints that come to us.

The Chair: Thank you, Mr Costante. The time for the Liberals is up, the 30 minutes. The NDP, you have your 30 minutes now.

Mr Martin: I want to return, if I could, Minister, to the specific issue and case that I presented in the last

round, because I think it speaks to some difficulties in the system and I think ultimately at the end of the day we'll measure the success or failure of the new programs by what comes out at the street level—the delivery of program.

In this instance we have an organization obviously in great stress. They're in great stress for a number of reasons, mostly because they're really trying hard to deliver the service, they're really trying hard to honour the mandate they were given by government to deliver these services. Over the last few years, we've brought more and more people back to communities to live, either at home or in group homes close to their families, so that they can be part of—and actually it's more cost-effective in the long run anyway, because they can become, in the way that has been spoken to here through various sheltered workshops and other ways, participating members of the community. This is what this organization is really trying to do.

You have on one end people who are relatively independent and can do some things and live in apartments, and we support that, and on the other end we have people who will never do that, who are very sick. In this instance with the group home on Queen Street we have a group of very sick children, ranging from three up to 15 and 16. Some of them have been there for 10 to 15 years. When Mr Wildman, who may join me here later, and I met with this group on Friday, we heard the stories. We heard of people who were at home and families who are struggling with the stress that brings, the work that has to happen, the emergencies that arise at any time of the day or night and the inability to deal with sickness that happens because you don't have the right facilities and the right equipment in your home.

1730

When you put those children into a group home where you can have easy accessibility to this equipment etc, you raise the quality of their life just unbelievably and you take a level of stress off the family that is almost seeable, feelable, very tangible. In this instance, they're very afraid that they're going to lose this, and if they lose this the ramifications can be very tragic.

This organization has, on every occasion that I've been in on meetings with them with ministry officials—and in the letter that I sent to you that now your deputy has a copy of, I talk of visits by actual ministers to my community to convince these people that amalgamating was a good idea. It wasn't something that they naturally sort of said, "Yes, we will do," because there was a lot of stuff happening, a lot of turf protection, a lot of questions about distance. There was one organization that represented the district, another organization that represented the city and there was natural tension between those. Finally, we were able to convince them that it was in everybody's best interests that they would amalgamate.

I think your government is looking at amalgamations, where they make sense—municipalities, school boards, different things of that sort. In my mind, that kind of thing does make sense. But they have to be helped, initially particularly, to get over the hump, to deal with things like collective agreements and all of that kind of stuff. They have.

As recently as yesterday, in talking to the executive director of Community Living Algoma, there was a commitment from him to work, as they are, very aggressively to find a way to live within their means and to live within the restrictions that your government will ask them to share. But they're having an awful time dealing with this \$625,000 or so that was promised to them by way of adjustment to get them to a point where this would roll out.

I know it was promised because I was at those meetings and I heard ministry staff tell them—and in fact, some of this promise has been broken. They said there would be no reduction in staff and there would be no reduction in level of service. That was not the exercise. The exercise was not to downsize the service that was being delivered and to downsize the workforce; the exercise was to try to find efficiencies in administration, in putting things together.

If you have had a chance—and perhaps you haven't, and I can share it with you. In the meetings that have taken place over the last week or so, the association has restructured; they've chopped 12 management positions just in the last couple of months. They are doing their best to try and manage, but they can't manage the whole package.

I guess what I'm asking for from you, Mr Tsubouchi, at this point—I have another question that comes later—is, will you commit to giving them the transition money they need so that they can then deal in a more healthy manner with the further downsizing or restriction that they will have to absorb as your government unfolds its agenda?

Hon Mr Tsubouchi: I think the one thing I can say is that the ministry and certainly myself will work to help to support the board to try to resolve this. If we can, I'd like to see them live within their budget and try to work out their solutions. I haven't seen their proposal yet. I don't know if Sue Herbert has as well. I have your letter in my hands now; it's dated February 5. I'll be certainly more than happy to meet with both you and Mr Wildman to discuss the issue.

Mr Martin: Okay, well, I'll take you on your word on that. As soon as possible?

Hon Mr Tsubouchi: Well, as soon as I get through these hearings.

Mr Martin: That won't be too long; in another couple of days I think we'll be done.

Hon Mr Tsubouchi: Certainly we can. Certainly I'll work with all MPPs. Certainly we'll see what we can do in terms of the ministry working with their board to try to come up with a solution. I'll certainly meet with you and Mr Wildman.

Mr Martin: Just to follow up on that and to ask the second question, I don't think it's appropriate myself, to be frank with you, to ask the staff to be contributing in the way that they're being asked here, to contribute 5% when everybody else is sort of holding the line, at best, in the world that we live in now. These people work really hard, and it's a very difficult job that they do, and they deserve the actually modest remuneration that they get to begin with. Part of the problem that we've got here is one of the bigger organizations that came into the amalgamation a few years before this entered into negoti-

ations with their management, and through—I forget the word now, I've lost it—but through a process—

The Chair: Back to the mike again.

Mr Martin: Sorry, I'm thinking, and I don't want my thinking on the mike. Through a process of conciliation, they arrived at an agreement. When they came into the amalgamation, then the other organizations, it was felt that it would be best if everybody arrived at the same level. I don't think the agreement that they're living under and working with is really a rich one when you compare it to other organizations that do the same kind of work. I don't think it's appropriate that a big chunk of the answer to this should be laid on the backs or the shoulders of the staff who are already, in many instances, overworked in doing this work. I say that in all honesty and in all sincerity because I've been close to this for a long time, not just in my role as a member of Parliament but I was on the association for the mentally retarded when I lived in Elliot Lake and I've worked very closely with this group over the years, so I know the work that they do.

The other thing I think would be really important, Minister, is if you could find it at all in your schedule to come up and have a look and visit some of the facilities that we're talking about here. But even more than that, this organization services an area from Hornepayne over to Elliot Lake. It's massive, it's long. The distance is unbelievable. The challenges that presents to this organization in travel and support and communication and all of that is quite extraordinary. I think, actually, if you plan on a long life in either this job or another one of the same stature, that it would help us in the north if you got a real, firsthand feel for it. I'm suggesting that you come up, and I don't mind if you fly into the Sault, for example, but that you drive to Elliot Lake or Wawa to get a sense of the distance and the roads.

Hon Mr Tsubouchi: My family's from Thunder Bay.

Mr Martin: Pardon?

Hon Mr Tsubouchi: My family's from Thunder Bay. I have family in Marathon. I drive there all the time.

Mr Martin: Okay, well then you probably understand.

Hon Mr Tsubouchi: I know now not to try to drive to Thunder Bay in the beginning of November. Even though the trees look nice, when you get to Marathon you can't see anything.

Mr Martin: I would ask that you give that some consideration. I would suggest to you that if you chose to do that, and hopefully in the very near future, that Mr Wildman and I would make ourselves available to be with you and to talk with you and explain to you some of the challenges that these folks have to deal with, so that in the end you might arrive at a position of understanding why it is that to have to deal with this kind of reduction is just impossible without cutting whole programs, which is what's happening here re the package that we're now dealing with and that has been presented to the ministry I guess for approval.

Hon Mr Tsubouchi: You know, Mr Martin, it's part of the challenge, I think, in terms of funding that we have to start to recognize a few things as well. One of the things that certainly we're trying to pay some attention to is to look at areas of high growth, for example, and their

needs there, but also areas of the north, and there are some huge distances that you have to go. I know that in the north, you have to look at the quality of service you receive up there too. Perhaps we can discuss that second matter when we get together. I'm sure I can free up some time as soon as I'm finished with all this.

1740

Mr Martin: You're saying within the next week or so we could possibly sit down and—

Hon Mr Tsubouchi: In fact, maybe what we can do is I'll get one of my staff to contact your staff tomorrow to arrange that.

Mr Martin: My colleague might have a question or two for you.

Mr Wildman: I apologize that I wasn't here for the earlier discussion. I appreciate the fact that you've indicated as minister that you would meet with us. I'm sure my colleague has made it very clear how unacceptable it is for children with these multiple handicaps to be turned back to their families, because it's inevitable that these kids are going to end up in nursing homes if there's room for them there, which there probably will not be. If not, they'll end up in hospital.

Hon Mr Tsubouchi: It could be a regressive step if that happens.

Mr Wildman: Certainly that would mean less adequate care than they're now getting. Ironically, even on the dollars and cents side, it'll cost more for the public purse to have them in hospital than it would to continue the group home setting. In terms of the possibility of these people living in anything approaching dignity, and for their families to be able to feel that they are being adequately cared for and not to feel guilty that they are somehow not providing for their children in the way they should, it's just imperative that this decision be changed.

It's not adequate to say that it's up to the local agency to make choices. We recognize that the local agency has to make choices, but when it finds itself in a situation where children who frankly can't control their bowels, much less other bodily functions, should become a burden to their families when there is a possibility they can continue to live as they have and be cared for and have a good relationship with their families in a way that gives them some sort of human dignity—I appreciate that you're willing to meet with us, and this is a matter of the utmost urgency. I won't prolong the discussion.

Mr Martin: The association covers both our ridings in terms of children's services—

Mr Michael Brown: And a little bit of mine.

Mr Martin: A little bit of yours too. That's right.

Hon Mr Tsubouchi: I can really appreciate what you're saying to me, and that's one of the reasons I think we should get together fairly quickly.

Mr Martin: Just to go on to another subject and put some thoughts on the record and ask for some response, it's in the vein of the questioning that my colleague Mr Cooke took in terms of your choice of phrasing or words and how that comes back to and hurts those who are on the receiving end of the systems that for the most part they've paid into, that all of us have paid into over the years.

The reality in today's economy is that none of us is ever any more than a paycheque or two away from being in a situation where we may be dependent in one way or another on the system. I think it's important that we not do anything to diminish the dignity and quality of life of people who find themselves, through no fault of their own in most instances, at the mercy of those of us who are still fortunate enough to have a job.

It concerns me that we would be making statements or even making political points at the expense of people who simply want to put bread on the table for their children, continue to own their own home, however difficult that is when you don't have a job, and pay the bills. It's one of the things that bothers me the most about this business we're in here. Sometimes in trying to do our jobs, we forget there are people at the other end of this who often get hurt by the statements we make, the way we phrase things and present things.

I've had people into my office who are just beside themselves as to how they will make ends meet, and they won't go on welfare. They won't go on welfare because of the impression they have of what welfare's about, the image they have of anybody who's on welfare that's painted by the media, that's painted by us as politicians from time to time and that's painted for them by themselves sometimes in conversation on social occasions, as we are wont as human beings to sometimes belittle or look down on those who are less fortunate than ourselves. That concerns me.

It brings me to the point that I really want to make, which is the issue of the cheat lines and that kind of thing. It's another piece of that whole approach to life and to a system that in itself is very honourable and should be in place in any civilized society but is diminished by the imposition of things like cheat lines.

I can't help but share with you, every Christmas I watch the movie *Doctor Zhivago*. I don't know how many of you have watched that movie. In that, if you remember, *Doctor Zhivago* goes out to break wood off some fences so that he can come home and put it in the stove to keep his family warm. While he's doing it, his brother, who happens to be a police officer, is watching him, and except that he was his brother, he would be arrested.

That ties into that whole image of a Communist country, state, where Big Brother is always watching, and whether you're right or you're wrong, chances are you may be challenged and perhaps arrested for doing something that is simply an effort in your own, sometimes maybe mistaken, way—who knows?—to try and put food on the table for your family and to pay the rent and to make sure that your kids have warm clothes in the wintertime.

To be putting in place cheat lines where your neighbour or somebody who has something against you or who doesn't like the colour of your skin or the religion you practise or whatever, the potential for taking advantage of this and maybe misusing it is unlimited.

Mr Preston: What about Crime Stoppers?

Mr Martin: I have some difficulty as well with Crime Stoppers, I have to tell you, because of the potential

that's there, not for sometimes the good results that come out of it—and I'm trying to be serious here in this—but for the potential that's there for people to be damaged and to be hurt. Where does all this become counter-productive?

What I say to you, Minister, is that it makes more sense to me, if you're going to grapple with and be successful in dealing with the issue of fraud—and I don't agree with fraud either. I don't think people who don't qualify or don't deserve should be accessing and misusing a system to the detriment, ultimately, of those who legitimately use it. I don't agree with people who go into apartment buildings and trash them and move on. I don't think that's right. But I think that there have to be other ways within the system to deal with it.

I don't know why well-qualified people who work in social and family welfare offices don't do the proper checkups that they're required to do. You've said that you've now initiated home visits and all that kind of thing. I think that's fine.

Mr Baird: Your government cancelled that.

Mr Martin: No, we didn't. As a matter of fact, we hired extra people to do those kinds of things.

Mr Wildman: Two hundred and thirty-some staff.

Mr Martin: We were criticized severely by the anti-poverty activists out there on this one, because we hired extra staff to make sure that we were giving the limited money that was there—and you have the same problem—to the appropriate people. But we didn't put in place snitch lines and hotlines.

Mr Preston: That's your term.

Mr Martin: It's not our term; it's what you're calling them.

Mr Baird: No, we're not.

Mr Martin: Yes, it is.

Mr Baird: Anti-fraud lines.

Mr Martin: Anti-fraud lines. Same thing. It becomes the same thing after a while.

Mr Preston: Crime Stoppers is a snitch line and it's open to cranks using it.

1750

Mr Martin: We have a snitch line in Sault Ste Marie. I disagree with it fundamentally and totally, and I've told them that. I think it's a waste of money. I think it would make more sense for them to maybe hire an extra person in their office to make sure that everybody who has responsibility for a package of cases is able to be helpful, not just be overzealous in terms of making sure that people qualify, but also in that job to be helpful to the people who are coming for assistance by way of trying to explain to them what opportunities are out there for training or work or whatever.

We have in Sault Ste Marie as well a job development officer who does excellent work, but he is only one, so he can't be as effective as he could otherwise be. We need a couple more. I would urge you to do that kind of thing as opposed to, in my understanding of it, wasting your money and spending your money on this other snitch line or anti-fraud line. You will disagree with me, which I think and see as very politically opportunistic, and part of that whole genre of what you phrase, "one out of ten people living at the expense of the taxpayer."

We are all taxpayers in one way or another, even people on welfare.

Hon Mr Tsubouchi: I didn't say that either.

Mr Martin: But it is part of that larger thing that is happening, that I feel your government is really using for a political end. I don't think it is helpful in the long haul to anybody, ourselves included, because ultimately in the end we all may be there one day. We have to ask ourselves whether we would like to be dealt with in this manner, would like to have our neighbour looking over our shoulder, checking to see what we have in our cupboard or if there is somebody actually coming and staying over, or if the family is helping out, or the myriad of things that people dream up to accuse others of actually abusing the system, and doing them a real disfavoured. Any comment on that?

Hon Mr Tsubouchi: Obviously I am going to fundamentally disagree with you on this, because we believe it is going to be an effective tool for our staff to work to uncover fraud. I have to agree with Mr Preston's characterization in terms of what it is like, like Crime Stoppers. The only difference here is that the crime is being committed against the taxpayers of Ontario.

Mr Martin: But it's part of—

Hon Mr Tsubouchi: Let me finish this. That is one of the reasons why when, I think it was, Kevin Constante was up here talking about this he was indicating that that's why we have to check out anything reported to us very carefully and very properly to make sure someone who is not involved with abuse or fraud is not somehow wrongly accused. That is why we have measures in here to make sure that proper investigations will be done so someone is not going to fall in that area.

I know what you are saying, but there are a lot of dynamics involved with this right now. Your government put in the case review process with the eligibility review officers, and that has been very effective. You took measures to combat fraud, so I think we are both saying that no fraud is good. But I think the challenge really is, if you have fraud or abuse in the system, as you know, that takes money away from people who are truly in need.

It's a difference in degree, I suppose, but we believe it's a tool our staff can use effectively, as long as the measures are properly checked out, people are properly checked out, and somehow it is done that way. I think that is really what's intended to be done. Kevin Constante was indicating when he was asked about the anti-fraud hotline exactly that, that that's why we haven't got results. We don't jump on everybody once in a while, it takes a while to go through the process, to make sure that people somehow are not wrongly accused, that if it is a case of abuse or fraud, that will be what gets funnelled into the system.

What do you do? You guys did some very good measures. I'll give you credit. The eligibility review officers are working out very well; they are doing a fine job. But this is just another tool, and I think any tool you have combating fraud, as long as you have the proper checks in there, will not be abused. I still view it as Crime Stoppers. Really what you are doing is having responsible citizens helping us out. However, there will be some indications sometimes where people may want

to try to be funny about it when they call in, try to report somebody wrongly, and that is why we have the responsibility to check it out properly.

Mr Martin: Mr Wildman had a question.

Mr Wildman: Just very briefly. I know you are almost out of time, Mr Chair. In response to that, all of us would agree I think that Crime Stoppers has been a successful program, and I have been in support of it. But it is open to abuse.

I happen to know of a particular case—I won't give the names of the people for obvious reasons—where the son of the family was apparently accused on a Crime Stoppers call of having been involved in vandalism, and the family ended up with a police officer on their doorstep investigating something, and in a small town everybody knows about it. Eventually it was found that there was no basis in fact for the accusation. But still, for weeks after, that family knew everybody was talking about the fact. Apparently the call—we don't know, it may have been just an error—but the police I think believe it was a crank, somebody who had something in for that kid and was doing it maliciously. So that is a problem.

I would just like to put a question on the record which I hope you will be able to answer next time. It may have been already raised by my colleagues or others here. We have seen the numbers of recipients go down substantially, and you have pointed to that. I would just like to

know what follow-up studies your ministry is doing to find out where those people are. How many of them have gone back into the workforce? How many of them are in school, in training? How many of them have fallen through the cracks? How many are on the streets? This is particularly important in this cold weather, when we see what is happening on the streets of Metropolitan Toronto.

Apparently in Alberta they have also seen substantial decreases. There have been stories about people moving out of Alberta to other jurisdictions. But they aren't doing the kind of follow-up that I think, I hope, you are doing to know where these people are. In Alberta the Alberta government doesn't know where those people are. They don't know whether they have got work, whether they've gone to British Columbia or Ontario, or if they have disappeared somewhere, are on the streets.

I'm sure you wouldn't allow that kind of lack of follow-up in our jurisdiction, so I would be happy if you could just lay on the table next time the studies you have been doing to tell us where these people are and what's happened to them.

The Chair: Thank you, Mr Wildman. We have used up four hours and nine minutes of estimates time. All that long time, Minister, moves slowly. The committee stands adjourned until 9 o'clock tomorrow morning.

The committee adjourned at 1757.

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**In attendance / présents*

Substitutions present / Membres remplaçants présents:

Wildman, Bud (Algoma ND) for Mr Bisson

Cooke, David S. (Windsor-Riverside ND) for Mr Bisson

Preston, Peter (Brant-Haldimand PC) for Mr Jim Brown

Patten, Richard (Ottawa Centre L) for Mr Michael A. Brown

Baird, John (Nepean PC) for Mr Clement

Boushy, Dave (Sarnia PC) for Mr Rollins

Munro, Julia (Durham-York PC) for Mr Sheehan

Gilchrist, Steve (Scarborough East / -Est) for Mr Wettlaufer

Also taking part / Autre participants et participantes:

Ecker, Janet, parliamentary assistant to Minister of Community and Social Services

Clerk pro tem / Greffier par intérim: Decker, Todd

Staff / Personnel: Poelking, Steve, research officer, Legislative Research Service

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Journal des débats (Hansard)

Mercredi 7 février 1996

**Standing committee on
estimates**

**Comité permanent des
budgets des dépenses**

**Ministry of Community
and Social Services**

**Ministère des Services sociaux
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 7 February 1996

Mercredi 7 février 1996

*The committee met at 0904 in committee room 2.*MINISTRY OF COMMUNITY
AND SOCIAL SERVICES

The Vice-Chair (Mr Joseph Cordiano): Good morning. The committee will come to order. The first order of business will be the Conservative Party in the rotation, for half an hour.

Mr John R. Baird (Nepean): I appreciate the opportunity to discuss the 1995-96 estimates with you, Minister. The one thing I wanted to do was to discuss the issues of the earn-back and, secondly, fraud and eligibility. But before I did that, I just wanted to make a few comments with respect to some of our discussions and events that transpired yesterday.

I guess the first concern I have is why we're in a position when we have to meet to discuss these cutbacks. I might differ from my colleagues and strongly say that it's a disgrace that we're here to have to discuss these cutbacks, because our finances are in such bad order. That governments have successively allowed, over the last 10 and even 15 or 20 years, for us to get in this situation I really think is a disgrace. I think it's a problem of all parties. I may differ from some of my colleagues. I think it's certainly got much worse particularly over the last five and 10 years. Having said that, when our party left government—

Mr Michael A. Brown (Algoma-Manitoulin): It used to be a balanced budget here.

Mr Baird: We remember the balanced budget in 1990. Between September and October it went up by \$3 billion. I know Liberals promised a balanced budget in 1990. Our colleagues in the New Democratic Party found out it wasn't balanced upon checking the cupboards.

Mr Michael Brown: Did you read the auditor's report about that?

Mr Baird: Yes, I did.

Mr Michael Brown: Do you want to tell the committee about that?

Mr Baird: Going on, I think that for our party to leave a \$30-billion deficit in 1985 was nothing to be proud of, so I perhaps would differ from my colleagues. But I guess the motive for my statements, Minister, is to say that if we had managed our finances properly, we wouldn't be in this regrettable situation in the first place. I find it most regrettable.

Having said that, some of the characterizations coming from the committee members over the last day I find quite disturbing. We didn't go out and try to convince the people of Ontario that the welfare system was broken prior to and during the last election campaign. They told

us the system was broken, in overwhelming numbers. Consistently, public attitudes on welfare have been rejecting what has become a system that's broken, that's out of control. People have told us that the status quo doesn't work. I simply reject the notion that somehow the people of Ontario, by and large, are mean-spirited and nasty towards social assistance recipients.

I guess the people of Ontario know that one out of 10 members of our community depend on social assistance. These are the people of Ontario. They're their friends, their family, their neighbours, their brothers and sisters, and mothers and grandchildren. They are the people who have told us so clearly and so strongly of the need for real welfare reform, and I think that's the context to put these discussions in. I don't believe the people of Ontario are mean or nasty. I don't believe their motive is suspect. I think they want a system that will provide two things. My colleague the member for Windsor-Riverside yesterday discussed one of the purposes of welfare, and I think they would unquestionably be twofold. One is to provide an adequate level of support to sustain people who, through no fault of their own, find themselves on hard economic times. It's a tough economy, there's no doubt about it. I think that's first and foremost the role of our social assistance system.

But secondly, I think we've got to have a system that's supposed to be an interim measure to help people help themselves to break a cycle of dependency, to get people back on their feet who are down on their luck. I think that second feature, Minister, is something that has been sorely lacking in our system for the last five or 10 years particularly. I think that's the context in which we look at this issue and I don't think we should forget that too many Ontarians have been trapped in a cycle of dependency.

To move to discuss the earn-back. This is something that is very important for the people of Ontario, something that has met with a considerable amount of support—to help provide people with a transition between being full-time on social assistance and getting back into the job market. There is a terrific amount of public support out there, I'll tell you, Minister, for that policy.

The first area I would like to ask a question on is with respect to just how much time people are having to work to earn back that difference in the reduction.

Hon David H. Tsubouchi (Minister of Community and Social Services): If I could put some context to the background in terms of the supports to employment program, STEP—that's what you're talking about with the earn-back—first of all, this was a commitment that we had made during the election to allow people to earn back the difference between the old and new rates once

the cut was made. Clearly, we said during the election as well that we were going to reduce the benefit rates down to 10% above the average of the other provinces. So this is something that is no surprise to anyone. The fact remains that everyone is able and has the ability to earn back the difference between the old and new rates. We want to give people the incentive to return to the workplace, as you so strongly acknowledge, the fact that that's what our purpose is, to get people back to the workplace. It's taken some time to do this, of course, but we've done it. I mean, there are over 1.3 million people on welfare right now today and on the STEP program currently there are—well, as of November 1995, there were 99,845 people taking advantage of the STEP program in Ontario.

0910

Mr Gilles Bisson (Cochrane South): How many?

Hon Mr Tsubouchi: There are 99,845 people taking advantage of the STEP program. This is one of the steps that we're taking—and really continuing what the previous government had started; I give them credit where credit's due again—to break people's dependency on welfare.

Interjections.

The Vice-Chair: Order. Let's not start a state of panic here.

Hon Mr Tsubouchi: However, what we have done, though, has certainly encouraged us far more by giving the people the advantage of being able to earn back the difference. That's really what we're doing.

To get to your specific question, Mr Baird, if you put it in the context of a single employable person, in order to earn back the decrease in the benefits, a single employable person would have to work around five, six hours a week—not a day, a week—to earn back the difference between the old and new base rates. I think that's a significant figure, and you can see, reflected in the number of people who are taking advantage today, that many people feel that this is a good way to lead, hopefully, to full-time employment.

Mr Baird: If I could say too, having spoken with constituents in my riding, I think many felt the system, albeit it was being changed under the previous government, just simply didn't give them an incentive. It would actually cost them money in many respects, because of the issue of benefits and income taxes and what not, to go out and get that job, even if it was a short-term job—not the job they would necessarily want, not the job that they would necessarily envisage to provide an income for them and their families. But that would give them something to put down on their next job application. It would give them a reference and give them some benefit of getting back into the workforce where they can get in contact with a network. The support out there for that is very strong, and I'm pleased to see almost 100,000 have taken advantage of it.

Hon Mr Tsubouchi: I think certainly part of the rationale is that part-time work can certainly lead to full-time work in many instances.

Mr Baird: I think virtually everyone in the workforce at some point in their life—I myself started as a student with part-time work and that's when certainly I learned about a lot of work-related skills in terms of—

Mr E.J. Douglas Rollins (Quinte): You're still a student, aren't you?

Mr Baird: Don't give me a hard time. That's the peanut gallery behind me, Minister.

Hon Mr Tsubouchi: Are the elder statesmen back there?

Mr Michael Brown: It's awful when you're heckled by your own party.

Mr Baird: When would a reporting system be in place for the updated figures after September? Are they released twice annually? How could we find out the figures for the rest of the fourth quarter of 1995 in terms of how many other people would have taken advantage of that program?

Hon Mr Tsubouchi: Perhaps I can pass that on to the deputy.

Ms Sandra Lang: Are you referring to the figures on the STEP program? I think that's a monthly reporting. Kevin, is that a monthly reporting we do?

Mr Kevin Costante: Yes, monthly.

Ms Lang: A monthly reporting. So we would know monthly, at the end of each month, the number of individuals who are taking advantage of the STEP program.

Mr Baird: Those will be available as well for the final part of 1995, so we could get those?

Ms Lang: Yes.

Mr Baird: Terrific. Maybe we could get those figures because those would be most interesting. That's very encouraging—100,000. That's something I would hope we could build on, because I think that is, first and foremost, the first positive step in terms of someone re-entering the workforce full-time and being able to earn a decent wage to support themselves and their family.

The second area I wanted to discuss, Minister, was the issue of fraud and eligibility. I was reading the clips this morning. I have something from the Belleville Intelligencer, "Welfare Fraud Cases More Than Doubled." They pointed to the riding of my colleague the member for Sault Ste Marie, who was here yesterday, that the new initiative with respect to citizens reporting suspected abuses is working well in Sault Ste Marie. "It has bumped the number of welfare fraud case investigations," said John Maccarone, commissioner of community and social services for the city. "The line was introduced in late September 1994. In the last three months of that year, 106 cases were investigated, compared with 28 from January to August," he said. "In 1995 that number remained high, at 216 cases."

Obviously, it is being seen as a step that's brought more awareness to the public, to taxpayers and to social services and police forces that any dollar that goes inappropriately to a recipient is simply taking money away from those people who genuinely need it. That's something that obviously, in the context of our current spending crisis, is I think first and foremost the issue that should be addressed. I'm pleased to see that there's some positive news coming from that.

Hon Mr Tsubouchi: Certainly as part of the solution in the fraud area, our offices are directing more to make sure we do crack down on fraud and abuse of the system. I think that's something that's acknowledged by the

communities out there but also by the police. The police are putting their minds to it a little bit more too.

Mr Baird: Is there any system within your ministry or any studies of date that would give some estimate for perhaps how much fraud might exist in the system and what sort of level of tolerance there is among you and your officials for this?

Hon Mr Tsubouchi: I think first of all that, as you know, it takes some time—I think Mr Costante was saying this yesterday—for any types of allegations of fraud to go through the system. There are some safeguards built in, obviously. If you're talking specifically about the fraud hotline, we have to first of all make sure we cull through the calls to make sure there's some genuineness to them, that there are some facts that support the allegations of fraud or abuse. At that time, it is then passed off to the field offices for an eligibility review officer to examine the case.

If there are circumstances that do point to criminal fraud, then of course the police would be involved. Now, as you know, it takes some time for police investigations to go through, but certainly we hope to have some sort of information on that. Perhaps Mr Costante could comment on that.

Mr Costante: I believe your other question was regarding the level of fraud; I think I commented about that yesterday as well. The level of fraud is something that's been actively debated. I don't know that we or other provinces have really accurate information on that.

There was a study done in the late 1980s for the Social Assistance Review Committee report which suggested that the level was around 3%. A Fraser Institute report that looked at income security programs across Canada, including some of the federal programs, was suggesting that the level of fraud and client error—because there sometimes can be a grey area there as to what's fraud and what's client error—is in the neighbourhood of 8% to 10%.

I can support the minister in that sometimes the length of time it takes to investigate one of these cases can be quite long. First of all, we need to establish as to whether there's grounds to investigate, and then you often have to check with various other parties to make sure that the information is correct. If it's turned over to the police, they conduct their own investigation, which can take some time, and then there's the interaction with the court system, if it goes that long.

Some of those investigations, where you're getting into the criminal system, can take many, many months.

Mr Baird: Perhaps I could ask you, sir: Mr Wildman yesterday, I think very correctly, brought up an example in his constituency of a type of fraud hotline, Crime Stoppers, where someone in his community experienced some problems. There is, I think, the potential in any mechanism of detecting fraud for some citizen with malicious intent to get involved.

Are there any mechanisms within your system to deal with that in terms of, as well, privacy considerations? He mentioned an example where an individual maliciously reported someone to the police, and of course the officer showed up on the front doorstep, and in many small communities that is devastating to the reputation of the

individual. Are there any mechanisms in place to sort out maliciousness, in addition to privacy concerns?

Mr Costante: I think we go to great lengths to try to preserve the privacy of people who are on social assistance. We try not to let others know that people are on welfare to start with. Our first line of defence, really, when a complaint comes to the hotline, is to go to the worker who is responsible for that client and have him or her do a check.

Sometimes what we find is that a complaint will come in and say that a person is working, and as you know, our fraud rules or our social assistance rules do allow people to work part-time and collect a top-up through the STEP program. In those cases, the complaint would be destroyed immediately and no further action would be taken. So we do a fair amount of checking within the welfare system itself before there's ever a handover to the police. As well, the police want to make sure that our evidence is absolutely solid before they'll take on a case, so they'll only investigate very serious cases.

0920

Mr Baird: I'm glad to hear that. I would also say that the benefit of doing that obviously would be first and foremost so that you could reduce the chances of any malicious intent and any damage to someone's reputation. Very much secondly, there could be a very litigious process, for police officers to begin to take their time away from other crime-related activities to go on wild-goose chases, from what might be malicious and baseless troublemakers in the system. So I appreciate hearing that, sir.

One thing I wanted to say, Minister, is that there were some discussions here yesterday with respect to language, and in dealing with the issue of fraud I think it's very important to put some comments on the record, certainly from my perspective, and I think I could probably speak for my colleagues in our caucus. I think there is fraud out there among taxpayers, businesses, bankers, politicians and lawyers. There's always going to be a small percentage of people in our society who try to take advantage of a situation, and I don't think, in all fairness, that it would be any greater or any less in the area of social assistance recipients than it would be for anyone in this room as taxpayers or business people. I think that's important to put on the table, that there's certainly not an intent of anyone in our caucus to suggest that there's something inherently fraudulent about any particular group in our society. I think that would be very wrong.

In the context, though, of our current spending crisis, when we have to reduce spending, first and foremost it requires us to ensure that there's a strong element of accountability in the system, that you can come, as minister, before this committee and say that your ministry is taking all reasonable precautions to ensure that every dollar is being spent wisely and being spent well. That is particularly important in this process of estimates.

Having said that, are there any statistics that you can give in terms of province-wide fraud investigations, the new measures you've introduced as far as increases and what not, with respect to the number of cases that have been both dealt with and disposed of?

Hon Mr Tsubouchi: Yes. We just had some figures but they're not dedicated to fraud measures throughout the system. As you can understand, we just didn't do the fraud hotline. We also had the central fraud control that we introduced, where we can certainly provide some expertise and guidance to our investigators out in the field and coordinate things. Also, in terms of organized fraud, we've taken some measures with other provinces to try to get some information-sharing.

We haven't got anything generally province-wide, but just very recently we had some figures in terms of the number of calls we received with the fraud hotline. I think the deputy has those.

Ms Lang: As we indicated yesterday, there have been about 14,000 calls to the hotline since it was initiated in October. Just over 8,000 of those calls are being referred to our staff, both at the provincial and municipal levels, for follow-up, and investigations will be pursued if in fact there are grounds for looking into the allegations or specific matters.

Hon Mr Tsubouchi: Sixty-three per cent, was it?

Ms Lang: It was about 63%. The other part of the system that we have operative is an expectation for our front-line workers at all times to be mindful of ensuring that people are eligible and making sure that there's integrity in the system.

We have a process with case review that was introduced by the last government that allows us to ensure on an ongoing basis that people are continuing to be eligible and in compliance with the policies and requirements for social assistance. So we do have a very significant set of strategies and processes in place that our front-line workers use.

Hon Mr Tsubouchi: I think Mr Baird's making a very good point as well that it's not fraud just in the social assistance area; it's certainly fraud in any area. No fraud is good fraud, and I think that's a point well taken and well made.

Mr Baird: I think it's a question of financial accountability. Before I yield my time to one of my colleagues, I would just say I think the day when a Minister of Community and Social Services could come before this committee, next year or the year after, two or three years from now, and would be able to report to this Legislative Assembly's committee, to the people of Ontario, that the ministry and your officials have done everything they can to ensure that every penny has been spent wisely and well, so we could dispel the whole issue among what might be a small element of the public who would think the system is riddled with fraud, and be able to say with all honesty that every action has been taken to ensure that no fraud is acceptable and that an element of accountability exists in the system to ensure that fraud is not there, that might dispel the public image in certain quarters that might exist that every level of government is riddled with fraud or misuse of funds and lack of accountability in the system.

Mr Toby Barrett (Norfolk): I understand that plans are in the works to focus on single mothers on social assistance. I think its referred to as the first steps program. Unfortunately, the stereotype of single mothers on welfare is all too true. Generally, children who are

fatherless and whose mothers are unemployed are the poorest and most disadvantaged in Ontario.

My concern is that government in the past has in many ways been creating, partly through welfare, a single-parent culture in certain segments of our society, a culture based on dependency on government. We have a system that seems to reward this sad state of affairs through cash and other benefits. In my view, welfare creates disincentives to both work and marriage: Do either one and the benefits cease. It's time to change these disincentives.

I'm asking if the first steps program creates incentives. I'm asking, first of all, what is the first steps program, and is it designed to essentially help single mums and their children and is it designed to help them become more independent and get back into the workplace?

Hon Mr Tsubouchi: Thank you for the question, Mr Barrett. As you and certainly many of the members know, the Common Sense Revolution proposed a four-point program for children in need. The four components are a nutrition program for school-aged children; home-work assistance centres; a program for young parents on social assistance; and enforcement of child support responsibilities.

The government will explore the development of the program for young mothers on social assistance and their children. The program is designed to promote independence and to break the cycle of poverty. Certainly, this is the aspect that you're concerned with and it has three points to it: (1) enabling young mothers to proceed with education or vocational training leading to independence; (2) providing a variety of supports to young mothers while teaching them good parenting and practical life skills, and (3) ensuring a good start for the children through appropriate nutrition, care and nurturing.

The program will incorporate some of the features of some models, such as Ohio's model of learning, earning and parenting, Head Start and the Better Beginnings, Better Futures program. Work on this initiative is part of the ministry's restructuring effort, and resources will be redirected to interventions and supports that work.

Did you want to give us more detail on that?

Ms Lang: I'd be happy to, Minister. This is an initiative that I think is part of a long-standing desire on the part of governments to ensure early intervention and prevention programs that work. One of the first things we're doing to try to put this into the system is a complete survey now and inventory of what is out there so that we do not add on. One of the things that has characterized the Ministry of Community and Social Services over the years is that we keep adding on programs. We have been a ministry of new initiatives for certainly the time that I've been around.

Part of what we're trying to do is to ensure that as we introduce services and programs that are dealing with high-risk children and families, we do it based on what we know works. Part of the task for us is to take advantage of the research which is under way.

0930

We introduced several years ago Better Beginnings, Better Futures, which is a program designed to support communities. I think there are about 12 communities across the province that are working very actively in a

self-help, early intervention mode. With the help of researchers, academics and professionals, we have put a significant amount of resource into research that will help guide us with the kinds of factors that work in early intervention. We are actually just now starting to get some preliminary results from that research which are encouraging us to look at means to invest resources that are out there in a more focused way that builds on the capacities of communities and the strengths of individuals in those communities to change their circumstances to ensure that the futures of their children are much more hopeful.

So the new First Step initiative that the government would like us to explore will be done in the context of what we know works out there and our capacity to engage our colleagues in the health, education and social services sector across the province to focus resources in a much more targeted way than we have in the past, using the benefits of research as opposed to just granting initiatives, but making sure that the funds are in fact going to yield the results based on what we know will work in given communities.

Mr Barrett: You indicated that this program is being explored fairly vigorously and you mentioned research and the word "prevention." I think this is very important. Maybe you could give me a bit more information about the overall goals or the philosophy of this program. You've outlined a number of measures that can be taken, but I would hope that with this program, or in the long run at least, we can set our sights fairly high. I think people in my riding are concerned about what they see as non-traditional family structures. I am hoping that through this program it can serve as a springboard—and perhaps this is asking too much—to set our sights a little higher and to try and achieve, or turn the clock back a bit, if you will, a change in our culture in some parts of our society—a single-parent culture which doesn't work very well. Two parents can do a lot more for these people than a whole host of programs.

Hon Mr Tsubouchi: I think one of the things that we would like to see in terms of making the system better is our investment in children and certainly in prevention. I think that's something that we as a government, and certainly the ministry, have a very keen interest in. That's something that you will be seeing some action on in the future in terms of our planning, but we do feel it's very important at this point in time that we look at this particular area of intervention and assisting in the area of children's protection.

Mr Michael Brown: That was an interesting exchange I think we just had. I'm interested that Norfolk also voted for Pat Buchanan, as Louisiana did yesterday.

Having said that, the government continues to make the assertion that our rates are 10% higher than they are in the average of the 10 provinces, is the word now. It was found to be, I guess, that it wasn't the case if we compared them nationally, including the territories. I wonder if the government would table the justification for that statement, that our rates are 10% higher, on average, than the other nine jurisdictions. The other thing I think the government should table is our cost-of-living index versus the other jurisdictions in Canada, so that we have an idea that we are treating our folks appropriately and

what the government is suggesting to us is in fact the case.

One of the things that I think we have to be careful of is that we may be working in some kind of vacuum here. I think that's one of the problems we have with all government services, regardless of what they are. I know there's a WCB report that is now being floated through the province. Anyone who sits in a constituency office and takes calls from constituents knows that we have a lot of people who have a very grave income problem because of disability; it may be because of an accident on the job, it may be because of an accident at home, it may be because of a health reason that has nothing to do with an accident. Nevertheless, the result is the same: The person cannot earn a living.

I wonder if the ministry has costed the effect on social assistance of the proposals being put forth by Mr Jackson, the minister responsible for WCB reform, so that we can have an idea of what the impact will be on social assistance. If the entitlements are lower under WCB, if the entitlements are more narrow, I would suspect that there will be an increasing demand on the disabilities part of social assistance. I want to know if you have had a look at that, if you've commented on Mr Jackson's report and, if you have, if we could have that information tabled so that we can understand what effect that will have on the social assistance. It's not good enough, I don't think, in this day and age, to have somebody be a hero at the expense of the next ministry and overall the public is worse off, not better off, although someone can beat their breast and say, "Well, gee whiz, I reduced the costs in mine, but I shifted them to good old Dave here."

The other impact I think we would like to know about is what's going on at WCB and some of the considerations with Canada pension disability too that continue on and what discussions you may have with the federal government about how Canada pension disability is kicking in. I think that's information the committee should have and would like to have in order to evaluate what your programs are doing.

Hon Mr Tsubouchi: Mr Brown, just before we get into that, I missed your second point. The first one was dealing with how do we come up with the average of the other provinces. I missed the second part, before you got to the WCB.

Mr Michael Brown: I was wondering about our cost of living versus other provinces also. It's great to say that our welfare rates, for example, are 10% higher; if our cost of living is 12%, it's not much help.

Hon Mr Tsubouchi: First of all, let me just begin with the business that we had committed in our election document, the Common Sense Revolution, to reducing the rates of welfare to 10% above the average of the other provinces. The rates for the elderly and the disabled were to remain at the same level. We based our calculations on the National Council of Welfare's document. We felt that it was important that we use an objective authority for doing that. We also felt that this is actually a well-known and recognized authority for calculating rates. The author of this document was Sherri Torjman, if I recall, and although I don't recall the page number this was on—I think it was 11—she indicated one of the reasons

why the territories weren't used is that she found it difficult to calculate the shelter allowance that was set out in the territories. Therefore, she herself, the author of this document, indicated that it was very difficult for her to take that into account, because it's quite different from the way the provinces' were calculated.

I might add as well that we do have a northern Ontario allowance which recognizes that the costs in northern Ontario are a little bit more expensive than in other parts of the province. Perhaps I could get Kevin Costante to give you further detail on that, but I'd be interested to know if I was right on the page number.

0940

Mr Michael Brown: Just to be clear, I wasn't asking about the famous, or infamous, Common Sense Revolution; I was asking for you as a minister to produce ministry documents suggesting that, not any political spin document.

Hon Mr Tsubouchi: What I was indicating that what we were using was the National Council of Welfare's report. That's the document I was referring to.

Mr Costante: What the minister said was correct. We set the rates at 10% above the average of the other provinces. Again, we did exclude the calculations for the Northwest Territories and the Yukon, primarily because of difficulties that the author herself acknowledged. As well, we do have a special northern allowance for communities north of the 50th parallel that need fly-in, where we top up the amounts. I could provide that to you too, if you want to know the increased amounts. So you would have to adjust our rates to reflect that to get an accurate comparison.

I'm sorry, was there another question that you wanted me to address as well?

Mr Michael Brown: I had asked the minister if he could tell us what the cost of living in Ontario versus the other provinces is, so we have some comparison, whether it's a 10% real differential or—

Mr Costante: I think there's two aspects to that. First of all, we can get information from the Canada Mortgage and Housing around relative shelter costs across the provinces. That information is available and we can endeavour to gather that for you.

Cost of living, however, is a percentage increase. It doesn't talk about the relative base that underlies it, if I'm making myself clear. So it basically sets 1991 at 100 and then goes as a percentage increase from thereafter. But it sets both Ontario and the other provinces all at 100. So you don't know if everyone is correct at that starting base. We have less information on non-shelter costs, if you will, but we can get cost of living.

The other thing about the cost-of-living index that is done by Stats Canada is that it's done not for provinces but for individual communities. So we have cost of living for Toronto, Hamilton, London, Thunder Bay, but not for Ontario as a whole, or northern Ontario, although I believe Thunder Bay is in their survey. For other provinces, like British Columbia, you would get Vancouver, Victoria, but not the entire thing. So it's a little bit imperfect information.

Mr Michael Brown: So in other words, we don't

know. It's not anybody's fault; we just don't collect the information on a base that we do know.

Mr Costante: Yes. We could provide the information that we do have.

Hon Mr Tsubouchi: I think one of the things that we had to go on was best information available, and that's why we relied on this particular report from the National Council of Welfare.

I don't want Mr Costante to leave yet because we're going to be dealing with the last part of what Mr Brown was asking.

You mentioned a few things—workers' compensation and also CPP—but I think UI is going to have an effect as well. These are some of the matters that we do have before us to discuss with Mr Young when we get to the table with him in terms of how that's going to impact on our social assistance area. You're quite right in terms of bringing these to mind. Perhaps Mr Costante can comment on the WCB aspect of this.

Mr Costante: We have been in touch with the people doing the WCB proposals and we've been studying that very closely. I think when things firm up we will be doing some modelling around what the potential costs, if any, will be to the system. I guess as background information, this information might be a year or so old, but about 3% of our clients do receive some income from workers' compensation and some from us if they're not getting enough. There is an interaction between the two systems, if you will.

Hon Mr Tsubouchi: Perhaps the deputy can comment to some extent on the CPP aspect.

Ms Lang: Mr Brown, you asked about the work that was going on with the Canada pension plan and the article in the paper this morning from Mr Martin's perspective. We have been very much, as a ministry, and certainly our colleagues at the Ministry of Finance, in discussions with the federal government about the future of a variety of social programs.

It's fair to say that the Canada pension plan is certainly very much on the front burner at the moment and I understand that the Minister of Finance, with his colleagues across the country, will be meeting this week or early next week, but it's very soon, to discuss with the federal officials and the federal government the issues associated with the Canada pension plan and whatever thoughts the federal government may have at the moment.

I think this is indicative of a series of discussions that are going on now between various levels of government about roles and responsibilities, because we all know that there are a variety of players in the provision of social programs across Canada, and to a large extent I think it's fair to say we also recognize that we are duplicating much of the effort between various levels of government.

So there are significant discussions going on, both between officials at different levels of government and with the ministers across the country to discuss, how do we streamline and ensure that the provision of social programs is clear in terms of who is responsible, who will deliver them and how they will be financed, so that we don't continue to sustain significant sets of bureaucracies, significant different kinds of infrastructures to

essentially deliver similar kinds of programs? We're quite encouraged that there will be this kind of opportunity to discuss with the various levels of government how we sort out who provides what services within the context of Canada's social safety net. So the Canada pension plan discussion I think is one of a series of discussions that are going to go on over the next several months as governments sort out how they ensure the provision of services and not have duplicate kinds of administrations dealing with these various programs.

Hon Mr Tsubouchi: I believe it was a point that Mr Brown brought up yesterday, actually, in terms of delivery of some of these services dealing with the social services area. Certainly, there are some joint projects right now between us and the federal government. We are exploring that to a further extent right now to see whether or not there are cost savings for us in terms of collocations, for example. I think there may be some room there to somehow find some savings both in the Ontario budget but also federally as well. I think this is something we should be looking at very cooperatively to do these things.

Mr Bisson: We did some of that as well.

Mr Michael Brown: I don't think any Canadian would disagree that it's time we got our act together in terms of governments acting together. What I was really looking for, though, when I was asking is if we had at this point any impact on what the WCB numbers would do, and I guess we don't. That's probably fair, in that the proposals are just that at this point. But I would expect that the ministry would table with the Legislature that information, if the workers' compensation bill comes forward, so that we do know what impact it may be on social services and other income-support programs.

Hon Mr Tsubouchi: I think not just with WCB but—your question just begs the rest of the formula, which is breaking down the silos that have been built up between ministries. We have to have some not just meaningful discussions, but meaningful cooperation between ministries to try to do things more efficiently and better and to communicate. You're quite right.

Mr Michael Brown: I'd like to move on and ask about the reduction in caseloads, who it is who has been reduced statistically, what categories are the ones that represent the people who are now off the system who were on the system. We have no indication where they went. We don't know why it happened or how it happened; we just know it happened. The suggestion is they went to work; the statistics show there are no more workers than there ever were.

0950

My real question, though, is who is it who statistically is now off the system who was on it before? Is it more young men, for example? Is it more young women? Is it more older workers? Who is it?

Hon Mr Tsubouchi: First of all, just to make a quick comment on the aspect of why, I think part of the problem has been of course that the tracking system that's in place currently, in terms of the exit from the system, is a fairly complicated one and has over 90 categories or something like that, and it's difficult to really get a handle on that. I'd like to see an improvement in that so

we have a better answer in terms of why. In terms of where, which categories they are from, I've got some figures here for you in terms of—

Interjection.

Hon Mr Tsubouchi: That's the growth. We know the growth.

Mr Michael Brown: You could tell me if it's growing too.

Hon Mr Tsubouchi: No, no. No longer is it growing.

Mr Michael Brown: Well, there could be. I'm not being facetious here. There may be some categories that are increasing, while overall there are others that are decreasing.

Hon Mr Tsubouchi: I think in terms of the numbers here, I'll get Mr Costante, since he's already come back up to the stand.

Mr Costante: I can tell you we have a fairly good handle on which categories are decreasing. The largest areas of decline really are in people who are unemployed, primarily single people, and sole-support parents; those are the two largest categories. I can give you some numbers around that, on the general welfare assistance program, and there's a table here we could provide as well, if you would like that.

Mr Michael Brown: Could that be provided to the committee?

Mr Costante: Sure. I can give you a couple of highlights. In October there was 187,788 unemployed people on general welfare assistance. In January that was down to 184,845. In terms of sole-support parents on family benefits, in October it was at 146,205 and was down to 135,947.

So we have month-by-month statistics, and there are a number of categories in each program. So in general welfare assistance the categories are unemployed, sole-support parents, those with ill health, students, aged, a category of "other." And in family benefits, it's aged, disabled, sole-support parents, those in our vocational rehabilitation services program, 60- to 64-year-olds, foster and handicapped cases and another case of "other." So we can provide that.

Mr John C. Cleary (Cornwall): On the same train of thought, though, and if we get back to the seniors and the disabled, you promised in your Common Sense Revolution to establish a new and separate income supplement program specifically for those unable to work. That is strictly a provincial program?

Hon Mr Tsubouchi: That's currently what we're looking at in terms of getting them into a guaranteed supplement program. However, there are a number of other issues that are certainly raised in terms of the ministerial council for the different ministers of different provinces which they are looking at to see how we can rationalize this whole system. But currently that's what we're trying to do right now.

The plan is under way, Mr Cleary, and right now people with disabilities and the agencies that currently work with them are being invited in and are assisting us in terms of how the plan should work.

First of all, the current benefit levels, which were not reduced in October, are to be protected for the elderly and disabled. So we are doing some consultation work on

that with the people who are disabled and certainly the providers as well.

Mr Cleary: Do you have any idea when this will be finalized and up and running?

Hon Mr Tsubouchi: In terms of specific time lines, no. What I can tell you, though, is this certainly is one of the priorities our ministry has right now. We want to get this established and we want to get the seniors and the disabled off the welfare system, where they should never have been in the first place.

Mr Cleary: So you have no idea whether it'll be in a year or two years?

Hon Mr Tsubouchi: I believe it should be some time this year this is established.

Mr Cleary: In 1996?

Hon Mr Tsubouchi: That's correct.

Mr Cleary: How much funding will be allotted to that program?

Hon Mr Tsubouchi: The funding is already there in terms of what their benefits are. What we're doing is just changing them off our system right now into a new stream. We believe our existing resources should be certainly more than adequate to handle this switch-off to the stream of these people.

Mr Cleary: So the administration is there now; there will be no new administration to administer the program.

Hon Mr Tsubouchi: Our case workers and our administrative workers right now are handling this caseload already. So really what we're saying is, depending on how the delivery of the service is going to be or the system is going to be, existing resources should be more than adequate to handle that.

Mr Cleary: Will there be a savings?

Hon Mr Tsubouchi: We always look for savings.

Mr Cleary: I know that, but I said will there be?

Hon Mr Tsubouchi: If there's a more efficient way of doing it, we'll certainly look at it and it will be part of the consideration. All I can say now is that we believe our existing resources should be more than adequate to deal with this.

Mr Cleary: You tell me you're consulting right now. When will you be using the new definition of "disabled"? You say you're consulting now—I think that's what you said, anyway. Will there be any more consultation with the public?

Hon Mr Tsubouchi: What I actually said was that we're consulting with an advisory group made up of all these umbrella groups that I named yesterday in the disabled community, and we're working with them to establish what kind of structure our delivery of social services should be under and to help us in terms of working with our core services. They actually have most of the input. We're not just asking here to rubber-stamp something. You can speak to any of them. You can see that we are having meaningful discussions in terms of where we're going with all of this, so it's really their call, working with us as a ministry. And yes, we do have further discussions. I'm certainly going to be looking for some sort of community input on what we do as well.

Mr Cleary: How many people currently on general welfare assistance will now be qualified as disabled?

Hon Mr Tsubouchi: I'm sorry. I missed that.

Mr Cleary: How many people currently on general welfare assistance will now be qualified as disabled, or do you have any idea of that?

Hon Mr Tsubouchi: I think what you're asking is how many people are moving over to the FBA system from the GWA system in terms of disabled. One of the things I might say, and I'll get Mr Costante to give you the actual figures on that, is that we had set up that as a priority certainly in the fall, to make sure that people who should be qualified, as of the date that we set, which was October 1, would be examined, I guess is the word—assessed—on whether or not they qualify to be disabled under the FBA. We also set up a criterion that makes sure that people were—if somehow the period of time was not as of October 1, but say they're assessed after that but they were on at that time, any payments to them would be retroactive back to October 1. Maybe Mr Costante can give you some figures on that.

Mr Costante: These are the figures until the end of December: 4,123 people have been moved over from general welfare assistance to FBA into the disabled category. So that's 4,123 cases.

Mr Cleary: What will happen to those who are now on disability pension who will not meet the new "disabled" definition?

Mr Costante: I don't think there have been any decisions made on the definition or how it would work yet.

Hon Mr Tsubouchi: The definition hasn't been changed, so whatever the standard was prior to our government coming in, the standard still applies. That was set by the previous government, actually.

Mr Cleary: You say there's 4,123. Do you have any other figures besides that?

Mr Costante: For what?

Mr Cleary: On those that you said, using the new definition of "disabled."

Mr Costante: Sorry, this is against the current definition. There's been no change in the definition.

Mr Cleary: Okay.

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Hon Mr Tsubouchi: We haven't changed the definition of disabled.

Mr Cleary: We get asked a lot of these questions in our constituency office and we don't have a clue what's going on, you know. We understood that these programs were in place, the consultation had been done and now we get asked these questions every day.

Hon Mr Tsubouchi: I think what I might indicate to Mr Cleary is that we're doing some very intensive consultation right now with many of these groups, the umbrella organizations, and I named a number of them. I know locally there's a number of these organizations that will be in your own riding as well, such as Community Living, Christian Horizons—

Interjection.

Hon Mr Tsubouchi: We can provide a list of those to you.

Mr Cleary: That would be very helpful.

Hon Mr Tsubouchi: Then what I would suggest is maybe your local associations that are associated with these provincial organizations contact them in terms of

their concerns, because we're meeting with these people already. We'll also have an opportunity I believe in the future to have some community input as well.

It doesn't matter if you're on the government side or on the opposition side, we're going to have to deal with local organizations somehow, and at that point certainly we'll provide information in terms of what we're doing. But no decisions have been made right now because we're still consulting.

I understand what you're saying about the local organizations sometimes don't necessarily have the communication with the umbrella organizations. I believe that point was being made yesterday by one of the NDP members, that a local organization didn't really know what the provincial organization was doing. We've suggested perhaps they get in contact with each other so they can get a real handle on the issues that we're discussing right now, plus the fact that they are working on the core services and the structure with us.

Mr Cleary: We get in very uncomfortable spots too, because we get invited to their annual meetings, sit in a round table. We have no answers and we write letters here and you people don't have any answers either.

Hon Mr Tsubouchi: That's because we're consulting.

Mr Cleary: Yes, but consulting—we've heard that you've consulted and you know what people want. We've heard that for years, so there's no—

Hon Mr Tsubouchi: But the real difference, I believe, Mr Cleary, is that one of the reasons why these groups are excited about working with our government is that we're not just presenting them with a fait accompli. We're saying: "Look, you people know what you need out in the community, front line, you work with them in the organizations. Work with us right now. We're not just giving you something and say, 'Here, this is what's going to happen; you just give us your rubber stamp on it.'" They're at the table having meaningful discussions with us, actually having input on the services and how it's going to appear. What they need out there is what we're discussing, and that's why they're excited about that, and I really do strongly suggest that your local organizations come in contact with their umbrella provincial group. We'll provide you with a list before the end of the hearings, Mr Cleary, so you can certainly indicate that that's what they should be doing.

Mr Bisson: Thank you very much, Minister. I would be extremely interested in getting a list of those people you're consulting with, because I can tell you I have been involved in this field for a long time. I have a lot of people that I know, not only in my home community of Timmins but around the province, and nobody is being told anything. I disagree with you wholeheartedly. The complaint I'm hearing out there is people are saying: "We have no clue what's going on. We know the government is about to change the system in a way it has never been changed before, and we have no bloody idea, as service providers and people who are dealing with the effects on people on social assistance, what the hell the changes are going to be," and they fear.

The other thing I just want to bring to you—and I'm going to say this and it might not make you very happy—is that the other thing I'm detecting out there is

that there is really also above that a fear on the part of a lot of these agencies and a lot of the groups out there that are funded by you to get up and to say anything in opposition to what your government is doing for fear of having their funding cut, or being audited because of the comments made by Mrs Cunningham in London, and I think a general fear about how they view the government when it comes to its willingness to push forward its agenda at any cost, even if that means to say it's maybe sometimes against the will of the people.

I want to come back to something we were talking about earlier. My friend Mr Brown from Manitoulin was talking about the question of finding ways of being able to work with other governments so that we have a system that is not as bureaucratic or not as overlapped as what might exist today.

I want to say just as a general comment, I think really what's lacking here is that there used to be a time in this country when we used to work on the principle of vision. Truly, I think in our history we can take a look at the province of Ontario and we can look at the country of Canada in general, and I think we can all agree that we can point back to a time when there were political leaders in this province and political leaders federally and people involved in the process who really had a vision of what they wanted to do with this nation, to make this country a different country, a country that is inclusive, one that cares compassionately about its citizens, and that we build a very different model than the United States.

One thing we're seeing now, today in the 1990s, is that people are starting to lose the confidence in believing that this country is still along that mould. What they're seeing is quite frankly reactionary politics, something I think your government practises quite well. I would hope you're sincere in your approaches that you're making here today about wanting to make change, because I would say let's not tamper with the welfare system, because I really think that's what you're doing. You call it reform by going to workfare, while every example that is out there in North America, where workfare has happened—the only single thing they can point to that has been successful in getting people off welfare has been the economy. If the economy is good, people go off welfare; if the economy is bad, people stay on welfare.

What we really need to do is what Brian Mulroney said of your party at the federal level, and Mr Chrétien is saying now at the federal level, we need to work on the economy and we need to work on jobs and we need to work on getting people back into employment. That's really what we should be concentrating on.

But at the same time, I would argue that we need to—both the federal and provincial governments—look at changing the system as we know it today from a system that has a multitude of programs at the federal, provincial and municipal levels to deal with everything from disability to unemployment and say: "Let's have a universal disability program that deals with people's disabilities." Let it be if they're injured at work, if they get into a car accident, or they happen to fall at home, or they just happen to get sick, that they have income replacement and income protection at the time of the disability with an aim to getting them back to work through proper

training. And on the other hand, instead of having a program of unemployment insurance and a system of welfare, having a system that if you lose your job, that's not your fault, that's the effect of the economy. We as a society will put in place the mechanisms that set up the partnerships between the private sector and government through the unions and others who are involved in the economy, to be able to try to find ways, first of all, in large layoffs to figure out how you can minimize that by doing some innovative things, and if there is to be layoff, trying to find ways of having one system of income replacement, not two systems where you're labelled on one as being unemployed, and the minute you can't find a job off unemployment insurance you fall under welfare, you're supposedly a deadbeat. I think we need to get past that and we need to do major reform.

One of the things we're missing in this whole discussion we're having this morning on welfare, is that we're forgetting that when we talk about the stats, we're really talking about people. As you and I and everyone else who was elected in this place see on a daily basis, if not weekly, depending on how busy we are, constituents walk into our office, friends who live down the street from us, people who we either know by relation or by friendship or by just casual relationship, people who are affected by what's happening in the economy of Ontario and what's happening in Canada.

What has happened is that for the government to stand here today and to say the problem with the welfare system and with so many people being on it is that the system somehow has been made too generous so that people leave their jobs and go on welfare in order to get an easy living, I think is a crock of—I won't say the second word.

The reality is there are far less people doing that—and I think your stats are going to prove that—there are far less people defrauding the system than I think your government is willing to admit. The reality is that the vast majority of people on welfare, over 90%, are there because of joblessness. What we have to deal with, I think, is first of all finding ways of getting them back to work.

Jobs Ontario Training was a program that was very successful in getting people back to work, and if the government wanted to build on successes, I would have no problem from the New Democratic Party with working with the government and saying, "Let's build on the success." But the approach this government has taken—and I resent it, and I think a lot of Ontarians resent it—is that it's taking an axe to the system and saying, "Let's destroy it, and then we're going to reinvent something out of the ashes that is going to be far superior than anything else anybody else could have done, because everybody else is stupid and we're the only ones with any smarts." For a government to say that and to think that and to act that way is extremely arrogant and counterproductive. I'm not going to mince words.

I want to talk to you about some of the people in my constituency I've dealt with over the years in the system of welfare, just to try to put this in perspective, and then we're going to get to a series of questions.

I remember, one of the first people I ever had to deal

with on welfare when I was elected in the fall of 1990 was a fellow I know quite well by the name of Barry. Barry was a miner who was, like me, working in the McIntyre mine back in the late 1970s, early 1980s, working making a pretty damn good living. The guy worked as a driftman, made probably in today's wages \$70,000 to \$80,000 a year, lived a rugged life, played hard, worked hard and did everything the way it's supposed to be done, according to what that sort of aura of being a miner is all about.

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But what happened is that the mining industry took a bit of a turn for the worse in the early 1980s. Because of the dismantling of the flow-through shares by the Conservative government and a whole bunch of other things, market forces etc, we lost a lot of jobs. Barry lost his job as a miner. Barry had gone to school, he had grade 12, but Barry had done nothing else. All that Barry had ever done all his life, what his father had done and what his grandfather had done, was worked underground in some mine somewhere and made a good living at it.

The fact of losing his job and going on unemployment insurance Barry was unable to deal with, trying to find another job in the mining industry, because that's what he wanted to do, that's what he knew and that's what he wanted to get back to. It became a problem that Barry started to drink and as a result of the drinking, Barry and his wife separated, with their two young children.

The first person I had to deal with on welfare was Barry, who I met on Algonquin Street in front of city hall about two months after I was elected, who said, "Gilles, I need a favour." I said, "What's that?" He said: "I can't seem to get any welfare and my unemployment insurance ran out. Can you give me a hand?" I walked down with Barry, thinking: "I'm going to give Barry a hand. I'm a new member. I'm going to do my job and I'm going to go advocate for my community." I was floored by the amount of people I knew that were in that office and, let me tell you, they weren't people trying to fraud the bloody system. They were hardworking men and women who had lost their jobs because of the economy, people I had worked with for years.

The problem was that when I walked in there, all of my friends could have probably melted through the walls, because they didn't want to be identified and stigmatized as being a person on welfare, but they had no choice. What the hell do you do when you have a family and you have a wife and you have bills to pay and you've got no income coming in? Either you pick up a gun and go rob a store or you go on the welfare system if there's no job available. Those are the people that we're talking about.

I think first of all through the election and prior to the election, the Conservative Party was quite effective. You built on the perception that people on welfare by a majority are people who are trying to fraud the system. You didn't actually say that, but that's what was being inferred, and people in my community were buying it as well. It took a hell of a lot of work on the part of many people in our community, not just myself, to get people to understand this is not about people trying to fraud the system. The reality is the majority of people on the system happen to be unemployed and we need to do

something about that.

The government has seen fit in coming back and being elected, their way of dealing with the supposed abuse of the system is to cut the benefit by 22%. Somehow that is going to magically make all the problem disappear. All these people who are on welfare are trying to fraud the system, and if we cut their benefit and we make it financially a disincentive for them to be able to stay on, they will magically go out and get jobs, all these people.

Your own bloody facts this morning in regard to the amount of people who have fallen off the welfare system since October demonstrate that as a result of your cut less than 10% of people have gone off the welfare system, and it beckons to ask one question: What about the other 90%? Those are people who are coming into my constituency office, and probably yours, who are having a hell of a problem trying to deal with what you saddled on them, because what you've actually done is you've penalized them for what supposedly is an abuse in the system.

I think people could accept, if the government would have come back and said: "We're cutting the benefit on the basis of what's happening in the economy. We can't afford to pay as much and we're going to reduce the benefits." People wouldn't have liked it any more, but I think people would have at least understood a bit better. But to be told it's that, and on top of that it's because we think people are abusing the system and that'll make them go out and get a job—let me tell you, they're not getting a bloody job.

I want to give you a couple of examples. I had one woman who came into my office who got caught up in the spouse-in-the-house rule. She has a son who is learning disabled who is 11 years old. She and her husband, who is the father of this child, were having real difficulties trying to deal with this child, to the point that the father was abusive, both physically and mentally, to this child. The mother finally decided she had to remove her child from that situation because the kid as well as being learning disabled didn't need to have a father who was not supportive about his condition and allowing him to be able to try to deal with the condition that he had as a learning disabled child. So she left her husband, not a decision that she wanted to make, but she did it.

What happened after two years of being gone, she met somebody else, you know, because we're all human beings. We want to meet somebody else, we want to be in a couple relationship. We want to be able to share each other's affections and we want to be able to go on in life not living alone. She found somebody else who happens to be working and is making probably—I wouldn't say a great living. He works at one of our automobile supply stores, making probably \$12, \$14 an hour, but none the less the guy is working. Because of the rules we had that were first set up by the Liberals and ourselves during the coalition accord, she was able to live with this man and keep her benefits until what, two years? I think it was three years that they were able to keep their benefits.

What happened because of the changes you made to the spouse-in-house relationship was that she had to make a decision: Is she going to get off the system and go live with this guy and commit herself to a relationship with this man for the rest of her days, or is she going to go

back on to the system? She had just moved in with this guy and wasn't quite clear in her mind that that's where she needed to be.

What's happened since is that she's now having to return to her husband. That's what's happened. It created a lot of problems in the relationship that she was in at the time last fall, and as a result, anyway, she's back with her husband.

I just ask one question: What's going to happen to that kid? Are we serving ourselves as legislators? What's going to happen to this kid, I really wonder.

I have another one who came into my office just last Friday. Mary is a 50-some-odd-year-old native woman who barely speaks English. All she knows—she came into the office and through an interpreter was telling me she couldn't pay her bills—is that she's got a 15-year-old son, her husband got killed in a motor vehicle accident about a year ago, and through no fault of her own, because of the situation she's in, she didn't get what she should have been entitled to with insurance because she doesn't understand the system. She's in a situation of having to live on about \$900 a month and raise a 15-year-old son. Where is she going to get a job?

Mr Gilles Pouliot (Lake Nipigon): Microsoft.

Mr Bisson: Exactly, with Microsoft, doing programming for Bill Gates. Maybe in Lake Nipigon there are jobs like that, but there are a lot of people out there, quite frankly, who are not equipped to deal in this economy. Quite frankly, on behalf of these people, I want to give you bloody shit for what you're doing, because I think it's more than callous; it's foolhardy. I can't say that in any stronger terms.

There are many examples of that. What I would say to the government and what I would say to you directly is that yes, there need to be some changes to the system. We all agree with that. Yes, we need to find ways of being more efficient in the way that we deliver welfare. Nobody argues that.

But to do it under the premise that you're doing as a government I think is dangerous and reckless, and in the end we're not going to be well served as a society.

With that, I would leave some time for my good friend from Lake Nipigon, who has Microsoft in his backyard.

Mr Pouliot: Thank you kindly. Minister, it's a renewed pleasure but also a first-time pleasure. The estimates have a quality about them that even Houdini would be revived. They tend to show. It's part of the mandate.

Its preparation for the people is also very time-consuming, with a good deal of zeal often forgotten, and I'm sure you have started your remarks—I wasn't here; there are so few of us now that we sit on several committees—to thank the people who diligently tried, to the best of their ability, to not only follow the guidelines, but they have to live with the nuts and bolts on a daily basis. Certainly, their efforts deserve mention, and I would echo your sentiments in terms of the good people who are here, giving their precious time so that Ontarians not only get fair value for their dollar but certainly are well served.

I wish to focus on a broadly summarized base and I will try, although I'm not always successful, to save the rhetoric.

Your administration, your regime, your government is

not the first one that has mentioned that to pay people from the public dole, from the taxpayers, a salary, pay for really, in many cases, doing nothing, is not the smartest way of conducting affairs of the state. Where other regimes, other administrations, have differed is in the mechanism, in the style.

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We're concerned not so much with, namely, the 21.6% cut—we're concerned with that too—but with candour. I know it wasn't said with intent, with malice. No one I meet wishes to punish the less fortunate, the marginalized, the people who can't run as fast as the middle class. We all see ourselves on a sort of waiting line and we are vulnerable. I know that doesn't escape anyone. There's always a human dimension present to your ministry, sir. When you go from one stage to the next, the next stage has to be reflected by a well-thought-out transition.

I want to bring your attention to the special part of Ontario where I live, with a focus first on native Canadians. I represent a riding that extends all the way to Hudson Bay. It's the largest geographical riding in the province of Ontario. It's Prince Edward Island, New Brunswick and Nova Scotia put together and multiplied by two. It's 1,000 miles long. Of course, we're underpopulated and that's the tradeoff. For instance, we're closer to Miami, Florida, than we are to some parts of the riding of Lake Nipigon—closer to Halifax, therefore.

If I leave our village, our community of Manitouwadge, and I travel 600 miles to Pickle Lake—that's where the road system ends in the province of Ontario—then I must go to the bay by way of charter, small aircraft. That's another 400 miles. There you see, Minister, and over the years it leaves a lasting impression, what it is to be marginalized in its extreme.

It's always good for the soul. Not only does it remind you how fortunate some of us are—life is circumstance; it's something else too but you don't always have the opportunity, you're not always given the tools to be like the others, and your support system, what you find in yourself, is not always opportune in the northern part of our riding. You see in this day and age—although there's been some effort and progress; that is readily acquiesced and it's welcome—conditions that you can imagine but you cannot readily accept, if at all. Sewers and water for engineers might be a fascinating world. They like to build things. Well, it's non-existent in many of the communities which I've had the honour of representing for the last 11 years.

There are many things that we take for granted, and those people don't have the tools to defend themselves; they don't have the tools to integrate. My good friend and colleague M. Bisson has mentioned the plight of native Canadians. They either speak Cree or Ojibway. They're not the plebs, the serfs, they're not the perennial residual users of the system; they're the victims. They're only rich by way of the beauty of the soul and they begin to stoop when they go from point A to point B. They're shy by circumstance.

The rate of suicide is alarming. Some have mentioned that it's epidemic. Well, compare: Statswise, it could be epidemic, not because of poverty but because when they look to the future, they cannot see any confidence. They

cannot see where things will change. They're chasing three meals a day. They're not downtrodden, they're not low-lives; they're Ontarians, they're Canadians. We don't have any database of consequence.

I'm sure this will come, a program which will be called workfare, and I know it's a federal matter, but I would wish that the people who need it most, the often forgotten, the plight of native Canadians—and I use as an example those in Lake Nipigon, but it's not only there—would be included in a program that would give them a chance to develop. It's not asking for too much, it's most commonsensical and no one can deny and not be deeply impacted by the reality of what happens: James Bay, Hudson Bay, Cree territory, Ojibway territory, a situation that should not be, regardless of political party. In our case we followed progress, we listened well and I am sure you will listen equally well. I'm here to speak on their behalf because we have a forum that other people don't have. We have an opportunity to meet one on one, with the highest of respect.

We know that you're listening intently. I will stop there. It's not a forum for criticism, but it's a plea. When you look at your program, when your well-qualified, diligent and dedicated staff, people sitting here and others, look at that, keep in mind that there is a voice there, that there is a friendly hand that is asking for what is legitimate, for what is commonsensical: a chance to live and a chance to dream for tomorrow.

The Vice-Chair: There are seven minutes left.

Mr David S. Cooke (Windsor-Riverside): Could I just ask a couple of questions to get some understanding and to get some information on the record? I just want to get a little bit of information from the ministry on the impact of the budget cuts on children's agencies, on children's mental health facilities and on the children's aid societies.

Normally your ministry, when transfer payments are decided, would be doing some kind of impact statement, some kind of impact analysis, so I'd like to get an understanding about what the impact is going to be, has been and will be on waiting lists for children's mental health facilities and response to legislative mandate by children's aid societies.

Hon Mr Tsubouchi: As you're aware, we are working with the children's aid societies. Some of them have indicated some financial pressures. We have been working with them. In many cases we have looked and, as you are aware, we have a contingency fund in order to deal with financial pressures on the CASSs. In many cases we're working with them not only in terms of their financial pressures but also with respect to some administrative problems they've had. The ministry officials are working with them very diligently.

Mr Cooke: I know that the ministry officials would be working with the agencies. That's the least we could expect. What I'd like to get is some information about the actual impact, not just that you're working with them. This is the estimates, so we should be able to get an understanding from you about what the impact of the budget cuts would be. What are the waiting list impacts going to be for the children's mental health facilities? We know they're going to be increased. What kind of an

analysis have you done to determine that, and can you table some information with us about waiting lists for children's mental health and response time for CASs? Can you tell me, for example, are the CASs on a calendar year for fiscal years? The end of fiscal year 1995 had deficits, so what have the layoff numbers been with the children's aid societies?

Hon Mr Tsubouchi: Before I call on the officials to give you some specifics in terms of the detail, Mr Cooke, what I might indicate as well, and certainly I did yesterday, but just to put it on record, is that we are working with many of the agencies right now, through their umbrella groups, to try to provide some planning and some perspective of what's happening in those areas. They are working with us right now to do their future planning. I know you're not interested in future planning right now—you're interested in terms of impact—but certainly I can get them from our officials. I just want to indicate that we are working very diligently with these people in these areas right now to come out with some solutions for the future.

Mr Cooke: I've met with the children's mental health facilities and I've talked to the people at OACAS and their very serious concerns about what the definition of core services is going to be. You're working with them; I'm not sure you're hearing them, because I don't believe they agree with your approach. But what I really want at this point is some data on waiting lists and layoffs. How many social workers have been laid off at children's aid societies across the province? Are there others other than Halton who are reducing the hours worked in order to cope with the budget cuts, and what impact is that having on response times when there's a concern about a child being abused?

1030

Hon Mr Tsubouchi: Once again, before I call on the officials, I want to make sure it's on the record as well that we are ensuring that the legally mandated services of the CASs are carried out. That's why we're working with them.

Mr Cooke: That's an important thing for you to have said on the record. We'll see whether that happens.

Ms Lang: I'd like to, if I could, call up the ADM for children's services to give you an update on the status of our discussions with children's aid societies and the children's mental health community.

Ms Lucille Roch: We've been working very closely with the OACAS and the children's mental health association. We've had a lot of discussions with them about how we're going about defining core services. I think we've had some very good discussions with them. We've made it very clear that we don't think core services should be defined in a narrow way. We've, I think, come to some agreement in terms of needing to ensure that, as we define our services, there's room there to include early intervention and prevention services.

Mr Cooke: I don't want to be rude, but I only had seven minutes when we started this round. I want some data. How many layoffs have there been in the children's aid societies and what are the waiting lists looking like for the children's mental health facilities? Or have you

not collected that data?

Ms Roch: We have some data on children's aid societies, what they estimate their layoffs are going to be over the coming year.

Mr Cooke: There were layoffs in 1995. What have the layoffs been to this point?

Ms Roch: According to the OACAS itself, they estimate about 100 layoffs, I believe, in 1995.

Mr Cooke: That would be primarily social workers?

Ms Roch: No, not necessarily.

Mr Cooke: Can we get tabled then with the committee a breakdown of the layoffs, the societies that have laid people off, the mix of workers and what impact that has had on response times?

I understand what you're doing in terms of redefining core services, but the core services have not been redefined at this point. So at this point we're still operating under the Child and Family Services Act that exists in the province—there have been no amendments—and there have been impacts on the ability to live up to that legislation. I don't think OACAS says one thing to me and one thing to you. So I think this committee's entitled to know layoffs and impacts on response times.

Ms Roch: I think we've made it very clear to our children's aid societies, through our area offices, that their first responsibility is to follow—they have a mandate to protect children. They have very strict standards and guidelines that they need to pursue, that they need to enforce, and we're being very, very clear about that with them. As you know, children's aid societies are also—

Mr Cooke: I wouldn't expect you to say anything else, unless of course—

Mrs Janet Ecker (Durham West): Why don't you let her finish the answer?

Mr Cooke: Because I've only got about 30 seconds, Janet.

I expect that to be the answer. Of course they have to follow the law. There have been some other impacts, and all I'm asking is that that information be tabled with the committee. So can we get the numbers on layoffs, the specific children's aid societies that have had layoffs and the mix of workers who have been laid off, everything from secretaries, other support staff and social workers, and can we get that tabled with the committee? And do you have numbers on waiting lists for children's mental health facilities?

Ms Roch: We don't have numbers on waiting lists for children's mental health facilities.

Mr Cooke: So you have cut back children's mental health facilities and you don't even know what impact that's had on waiting lists, Mr Minister.

The Vice-Chair: Sorry, but the time has elapsed. We'll have to wait for the next round.

Mrs Ecker: I appreciate the sincerity with which the members of the opposition come to their issue. They come to the committee with stories from the constituency offices which are very tragic and very difficult. We all work in our constituencies and we're all familiar with the stories that are out there, including the stories about the people who've gotten back on their feet, the success stories, the anecdotes of individuals who have been able to put their lives back together again. I think we would

share the objective that that's what we're trying to do here. Even, I think, the previous government's own leader admitted that those on welfare have an obligation to society, and when our government talks about initiating programs to pursue that avenue, we're accused of being heartless for some reason. I believe that leaving people trapped in a system with no hope is pretty heartless and pretty cruel.

I guess what I also find quite frustrating is when I hear members of the opposition objecting to the fact that our government might well wish to ensure that welfare moneys that are being paid are being paid to those who really need it and not going to those who don't perhaps need it or who have other options. I think it's worth noting that the previous government felt that there was enough of a need within the system to ensure that that money was going to the right places that they initiated fraud investigations. We all know that the majority of people on welfare are there because they need it, we all know that it's a minority, but we also know that regardless of the size of that minority, whatever we can do eliminate it, I think a government should be pursuing. I think we should be going in that direction.

Mr Cooke: It's all politics.

Mrs Ecker: It's interesting you would say that. You like to accuse our government as pandering or playing to some sort of mythical public concern. I didn't hear about misuse of welfare from any of the political aides who put together the Common Sense Revolution. I heard about misuse and troubles and concern about the system from the people who are out there in the community, from the people who had been on the system themselves, from people who had friends or neighbours or children who were on the system, and they were the ones who told me that the system needed to be changed.

Mr Cooke: So how much money has been saved?

Mrs Ecker: Excuse me, Mr Cooke.

The Vice-Chair: I'm going to cut this off. If you want to direct your comments, please do so through the Chair. You may also wish to ask questions of the minister, but I will not permit debate between parties.

Mr Cooke: Certainly not in Parliament.

The Vice-Chair: Not here.

Mrs Ecker: Mr Chair, I can appreciate your concern in terms of trying to have order within the committee, but I believe that many of the comments that have been made by the opposition—and I respect their right to say it and I respect their sincerity, but at the same time, there is not one side to this story and I think that it behooves us all to recognize that. People who are out there on the system and people who knew people who were on the system said that there was misuse which had to be addressed.

I think one of the concerns that we have as we proceed with welfare reform in this province is that the people who are paying for that system—the taxpayers out there—need to have the assurance that their money is being used to help those who really need help. I didn't hear anybody object to that when I was out knocking on doors and continuing to knock on doors.

The people who keep getting lost in this, and Mr Pouliot did make reference to them, are the people who are out there making \$14 or \$15 an hour who don't have

their partner or spouse living on welfare. There are people out there who are making that kind of money who are trying to raise families on it. I think that this government owes consideration for what they have to do to put a roof over their head and food on the table for their family without resorting to welfare to do so.

I have two specific questions that I would like to address to the minister. They concern the restructuring that many communities are doing out there. In my child care travels, I got to talk to many individuals in children's services and I have yet to meet anyone who has pulled any punches or had any difficulty expressing their views to me as a member of the government because they're in some sort of fear. I don't know where Mr Bisson gets that, but that's certainly not something that I had picked up in my travels.

Many communities are sort of ahead of the government, as frequently happens. Local communities are much further ahead in terms of what they believe they need than governments are. I had the opportunity to be in Kent county where I met with representatives of their children's services council where they were talking about the restructuring process that they have started. They're well down the road to removing artificial barriers, to cutting down administration, to taking a look at different agencies and saying: "Where can we share? Where can we eliminate duplication? How can we make one point of access for individuals?" and it was actually, dare I say, a very positive and exciting opportunity to listen to the energy and the commitment and the enthusiasm that that group had. I've also heard from London that they as well—I think they're a little further down the road than Kent is, and I was very pleased to see that the minister made reference to both communities in his opening statement.

1040

The one concern that I believe both communities are expressing is that since they are down the road on this and they know the ministry is doing a core services review, what assurance can the minister give them that the core services review that the ministry is undertaking will not somehow set back or interfere with the community consensus that is developing in those communities and also will they be receiving some direction as to what they should be doing in the future, their future direction or how the efforts that they are making in the community are going to link up with the direction that the ministry is taking?

Hon Mr Tsubouchi: Thank you, Mrs Ecker. I think that certainly looking at Kent and certainly looking at London are some good examples of communities that have taken the initiative to do a lot of proactive planning in their communities and also of really showing some leadership in terms of recognizing the problems that there are currently out there in the social services area, that many of these programs have been developed independent and quite unconnected to any type of general plan before in the past, that it really needs a lot of structure to apply to it.

I'm more familiar with the London program that they've come up with in that community because it has the approval and the backing right now, as I understand

it, of most of the transfer agents in that area. The local municipalities are quite supportive and all four MPPs, including Ms Boyd, who has attended a meeting with me as well and indicated her support for this type of community planning—certainly our three MPPs in the area are very supportive as well.

I think one of the real good examples is this shows the communities are willing to do planning and do some decision-making but also indicates as well that these communities are willing to indicate what are the priorities in their communities, what are the services they really need. I think the support locally of the four MPPs indicates that this goes across political parties if this is a good initiative, and it should be a good initiative.

I have seen a presentation from a London group. They've come down to the ministry to make a presentation as well, and I think one of the pieces is how is that going to fit in terms of what we're doing with our general review. Working with the umbrella groups, of course, will provide structured core services. We hope to work very closely with groups such as this to really provide, I guess, some sort of leadership in our local communities to make those decisions. Obviously a lot of hard decisions are going to have to be made, but I think we all agree that communities know best what services they really need, as opposed to us pontificating up here in Queen's Park. I think we can provide some context and direction. That's what a lot of groups have said. They want us to provide them with very strong direction, but a lot of the community planning leaders are very interested in making these very difficult decisions.

So I think they're excellent models and I think that in my opinion I could say that Kent and London are certainly well ahead of many other areas, particularly because of the support they have from not only the community but also from the political parties, regardless of what their stripe may be. We're encouraging this type of initiative, and we'll work with them very closely, but I think you may find when we actually get into our restructuring that some communities will be quicker off the mark than others. I think these are a couple of good examples of communities that are ready to really work with the province and come up with real practical solutions to practical problems that we do face.

Mrs Ecker: I had one final question, and it gets back to the issue of equitable funding. I represent a portion of Durham region which is a region that the sort of big growth, if you will, out there in young families and young children started just when government was finding great difficulty in funding the services that such growth needs, especially in the area of children's services. There was much less system out there when the cutbacks and the reduction in spending over the last several years was started, and, therefore, there's not as much flexibility in their system to cope with those.

I know there are Fair Share groups around the province. Peel has one. Durham's Fair Share group started last year, and I know has been lobbying very strongly to try and convince the government that in equitable funding, per child funding, there needs to be a change, because areas like Durham have had some difficulty in the past.

I wondered if the ministry, in the restructuring that is

happening, in taking a look at the funding formulas or the base calculations or however we want to look at it, are we going to be able to provide some relief to groups like Durham Fair Share either in base funding or as part of the reform in the funding formula?

Hon Mr Tsubouchi: That's another excellent question. I think the real problem we've had, and I just discussed it briefly before with respect to your prior question, is that there has really been no rational basis for the overall distribution of funding in many areas. I know, particularly in Durham, the concern about children's funding, not just children's funding, I think, but in a lot of different areas.

Once again, the current funding levels are really the result of a hodgepodge of historical funding decisions unconnected to each other, and you're quite right. There are a lot of pressures coming from areas that have high growth, Peel, Durham, York, for example, and some would argue other areas as well. But I think the other challenge is not just the high-growth areas but also some of the areas from the north that do have, I guess, some concerns about the quality of services they receive compared to some of the areas in the south and about the truly unique problems the rural areas have in terms of distances and practicalities dealing with them.

I have already had the opportunity to meet with several of the groups at first hand, with the Peel group, with the Durham group. I met with the chairmen of York and Peel as well. Particularly in Peel and Durham, they've given us some models of what they believe would be a fair way of approaching things. The model really would recognize population growth and also social indicators of need in the areas.

We recognize as a ministry that the rapid population growth in some of these areas has placed pressure on those particular areas and the agencies in the areas, and I think that equitable distribution resource is an issue for many of the services that we fund. What I can say right now is we have begun our analysis of the options. We have listened to these groups and recognized there is a problem here that somehow we're going to have to address. That's where we are right now, we're just examining the options, but certainly we recognize there is a problem that somehow we have to fix.

Mrs Margaret Marland (Mississauga South): I wonder if I could have the indulgence of our caucus just to have one supplementary on that question.

Mr Bisson: You don't have to if you don't want to, you know.

Mrs Marland: No, but I'm sitting on a committee next door.

Mrs Ecker: I wouldn't dream of denying her the opportunity.

Mrs Marland: To the region of Peel it's a very important question, Minister, and I know from your answer you are aware of it. I just want to say that when you answer and then go into the other concerns about rural communities versus high-growth areas like Peel, you still have to come back to the raw figures. The raw figures in round figures are something like Metro children \$350 per capita, the provincial average \$275 per capita, and in Peel it's \$195. There is no way any government can defend having a different value on a child depending

on the geographic location, and I feel very strongly that that inequity has to be addressed in terms of children's services before anything else.

The Fair Share for Peel Task Force was formed during the Liberal government administration and we have been on our knees begging, all the way back to John Sweeney, who I must say was the more sympathetic of the two previous government ministers in Community and Social Services. We've only been the government for six months, you've only been the minister six months, with a great deal of very heavy-duty challenges on your plate, but I really would like to be able to take the message back to the region of Peel that this isn't going to take another administration to get it resolved. I want to ask you again, you said just a few moments ago, I think, that it is still being reviewed, and I'm wondering if there is any more information you need to persuade you about prioritizing in terms of human need.

1050

Hon Mr Tsubouchi: I might say that, number one, I do recognize the problem. Number two, I have met with Mr Kolb, who is the chairman of Peel, separate and apart from meeting with the Peel Fair Share group as well. I might suggest that when they left the meeting with me, separately, and I guess they came to the same conclusion, they were quite satisfied with the fact that we are reviewing it right now. We were willing to listen to what they had to say and recognized that there is a problem. I think both these groups, if you have a chance to discuss with them an update on it, would indicate they're quite satisfied with where we are right now in government on this.

Mrs Marland: They met with you in September and they're still ringing our phones. I'm sure they're still ringing in Durham as well.

Hon Mr Tsubouchi: Sure, but as you understand, we're also looking at how are we going to restructure services in many different areas. It makes no sense for us to do it in isolation of everything else.

Mrs Marland: But you are very concerned.

Hon Mr Tsubouchi: Oh, I am very concerned, extremely so, and we're trying to fit the pieces together properly so it does work.

Mrs Marland: Thank you very much.

Mr Rollins: Thanks, Mr Chair, and to you, Mr Minister, for the opportunity to express some of my concerns and pass on to you some of the feelings that I feel are in the Quinte riding that I represent. I feel very strongly that sometimes the opposition feels that because we're trying to change something it's wrong. I'm sure there are two sides to the welfare people. There are the people that we certainly have to help who find themselves in the dire straits of being without work and under circumstances that there aren't jobs available, particularly in the far outreach areas of our whole province. Sure, our riding doesn't reach a long way into the north, but we have problems there too.

Then there is the other side of it. There are concerns over people who are misusing. It's not always fraud and it's not always complete abuse, but I think there's some misuse that needs to be addressed. I'm sure if we listened to what they say we wouldn't have to have any jails or

anything else, because there are none of those kinds of things. I see that there's some misuse in other parts of our society and I think it continues into the ranks of the welfare and everything else.

The Acting Chair (Mr Mike Colle): If you could wrap up, your time is up.

Mr Rollins: I thought we had till about five after. Yes. We are five or six after, I believe, according to the time sheet I have here anyway. I think it's about seven minutes after to be exact.

One of the other things that we could take a look at, Mr Minister, is maybe to allow the earned-back percentages being more equal, that a person who's on social assistance and on welfare is allowed to earn back closer to a 50-50 deal: 50% for them and 50% to be kept by the government. I think that would encourage more people to go out and try to find that four- or five-hour-a-week job or whatever they can supplement their income with.

I know on the clawback that we're allowed, the cutback, that we're using the 100%, but as soon as you come off that you drop down to a 75% or a 25% rate and I feel personally that's too low. That person is prepared to work the four or five hours to get back, and they say, "There are no jobs out there." Well, strangely enough, we hire people in my business in town, and there are people looking for work and there are some jobs there. But I think we need to encourage them more.

If we were on a 50-50 deal, I know it might make the budget a little bit higher as far as the cost is concerned but I think the payback of it is to encourage that person. With the self-esteem that those people start to obtain in their own lives as soon as they start making some contribution to society and feeling better about going out and doing that work, there's only one winner, and I think it's us because then we've got one less bill to pay and those people do get those jobs.

We've had people come into my constituency office and express that until this cutback came along they'd been on social assistance for four or five years and had no desire or there was no push for them to go off. With that push off, they came back in two or three weeks later and said: "You know, by golly, I went out and I'm working four or five hours a week. I'm helping out."

You wouldn't know it's the same people walking through the door, because they've got that little bit more self-pride back again. I know it's not there for every person. There's no pie in the sky saying, "Hey, there's all those dreams there and all those jobs," but I would wonder whether there's any consideration to getting back to a closer earn-back situation, if you could give me some thoughts on that, Minister.

Hon Mr Tsubouchi: I think the pledge we had made during the election was that they could earn back the difference between the old and new base rates. The clawback after that, which is on a 75-25 formula, is just a continuation of the prior policy. The general basis for all this, Mr Rollins, is that part-time work, regardless of how much it is, could possibly lead to full-time work and that it does encourage this behaviour. We hadn't considered that because in the context of our programs we were coming up with in workfare, which are programs designed to get people fully back into the workforce, we

felt the time gap between them was not going to be too great.

The Acting Chair: If I could have the indulgence of the committee, the minister would just like to take a five-minute break. I wonder if we could recess for five minutes.

Mr Baird: Could we finish our five minutes?

The Acting Chair: Well, we'll give you the five minutes, but the minister just has to leave.

Mr Bisson: Finish the five minutes, and we'll break after the five minutes.

Hon Mr Tsubouchi: That's fine.

The Acting Chair: Okay, we'll finish the five minutes. It's the minister's choice.

Mr Rollins: Mr Minister, we'll try to keep it down to less than five minutes in case you embarrass us with it.

One of the other things is that, with the people that are on social assistance and everything, if we use some type of a system of a smart card or a bank card system, we would allow these people not to be identified when they go to the grocery store; they've got this identification no different than anybody else going to the grocery store buying groceries.

I think, in using that smart card or a bank card system of that nature, it also gives your social worker the ability to look at those people who say, "Hey, I run out of money six or seven days before the end of the month," and when they readjust and take a look at where they spent the money, they could well say, "You're spending all your money in a certain area. There's too many clothes being bought, there's too many groceries being bought," it gives a social worker the ability to point the finger at this line and make a constructive criticism to adjust their spending habits.

Hon Mr Tsubouchi: The Management Board Secretariat is taking the lead to coordinate the multimistry working group that was examining the roles of identification cards and what their uses might be. There are several ministries involved: our ministry, Health, Transportation and I believe Consumer and Commercial Relations. There's indication, from the private sector anyway, that there would be improved customer service, efficiency and fraud-control benefits that could accrue from the use of such a card.

However, there are significant privacy concerns that have to be addressed as well, and I guess your point that the new legislation would be needed as well to make some sort of a photo ID card a basic requirement in our programs. We are still having discussions in this area among all the ministries. We still have to address the concerns of the privacy commission in all this as well.

Ms Lang: I would simply reinforce also the concern that we ensure that if there is a card technology, it is not stigmatizing and that as much as possible we look at the potential for integrating cards so we don't have to spend a lot of money supporting several different cards. There are some clear directions from the government that we explore all options and come back with some suggestions how we might achieve a smart card technology and ability to provide better service more efficiently to clients and not stigmatize them in the process.

The Acting Chair: We'll take a five-minute recess.

The committee recessed from 1101 to 1107.

The Vice-Chair: We have Mr Cleary in the rotation.

Mr Cleary: One thing I wasn't quite clear on by a previous speaker: With the children's aid societies, are we going to get that information on the layoffs and also on the children's aid societies that were having financial problems?

Hon Mr Tsubouchi: Yes, Mr Cleary.

Mr Cleary: Thanks. I would like to move on to another Common Sense Revolution commitment, the youth job corps. I understand that's going to be for younger people—

Hon Mr Tsubouchi: That's why they call it youth.

Mr Cleary: —learning experience, doing work in the community, community service activities. What's the status of this project?

Hon Mr Tsubouchi: This particular area has not been developed very far, Mr Cleary, right now. Obviously we're concentrating on a number of other issues, as you are well aware. In the forefront of course is workfare. So you may be happy to know we haven't developed this area very much.

Mr Cleary: Maybe you could give us a list of things that you're advanced on because we're not having much luck here in this committee on any of the projects really. We're not getting any answers. There's not much use in my asking any more questions.

Hon Mr Tsubouchi: Actually, just to put this back in context, we are dealing with the 1995-96 estimates and not 1996-97. I'm sure you'll have another crack at it next year when we actually get into the programs.

Mr Cleary: So you have no idea how much the project will cost?

Hon Mr Tsubouchi: As I said, we haven't completed much work in terms of developing this particular program right now.

Mr Cleary: Do you know who will be eligible for the project?

Hon Mr Tsubouchi: I guess it's really the same answer. We haven't really completed much work in this area. If you want to get a sense of what our priorities are, or are currently, you can certainly make reference to my opening statement, which will give you an idea of the areas in which this government will be concentrating in the near future.

Mr Cleary: I was going to speak at length about that project because I think it could be very important in the community. Being there are not too many answers, I guess my colleague Mr Colle has some questions.

Hon Mr Tsubouchi: Mr Cleary, before you actually leave that topic, it would certainly be of advantage to us if you wish to indicate what areas you think we should be concentrating on. Certainly we'll listen to that. You may want to come back to that later. Just because we haven't developed a program now, is not to say we won't listen to your input.

Mr Mike Colle (Oakwood): A question I have I guess can be linked to your proposals on workfare, Minister. I have some single parents in my constituency who have disabled children. One in particular—the child has Down syndrome—is 14 years of age, and in the last round of social service cuts it was a 22% cut to the single parent.

I wrote the ministry and I asked them why this would not be considered a cut to the disabled when the parent is the sole caregiver, a combination of giving up her job because she wanted to stay at home—she used to take this boy to school every day, feed him lunch. He was basically traumatized by going to and from school.

The cut—I think it was about \$300 to this mother—for all intents and purposes was a cut to that child because she was the caregiver. I thought to myself, wouldn't it be cost-efficient to have that mother stay at home, be the caregiver, rather than put this child in some kind of institution where the government would have to pay more money in other support services? I'm just wondering whether that area has been cleared up or whether it still continues in terms of a mother or a father, a single parent, who's at home as a caregiver to a child who has some kind of disability.

Hon Mr Tsubouchi: I think you're certainly right in pointing out this area. The only answer I can really give you right now is that we do provide other areas to assist parents who have children who are handicapped. Special services at home is one of these particular programs, which when we underwent the constraints that we put forward, I guess, last year, were not subject to the 2.5% constraint at that time.

I understand what you're saying and I do have some sympathy for people in that situation. One of the reasons we didn't cut the special services at home program is because this funding was provided directly to parents for the services they need to care for their children with disabilities. They can access a number of supports within the community as well, which were also not impacted by the constraints.

The handicapped children's benefits support program is another one, which is funded through social assistance, and that provides benefits to over 11,000 children in the province. Total funding in I guess 1994-95 was over \$30 million, with monthly payments that range between \$25 and \$375 depending on the family income and family size.

Once again, the special services at home wasn't constrained specifically because they provided direct services to parents for services that they needed to care for their children with disabilities, so any future plans we have in terms of developmental services will be consistent with our commitment to support children with disability as well.

Mr Colle: In this case it's pretty black and white. Here's a household income, it's just the mother and the 13-year-old, and it's been cut by 22%, so she's having a heck of a time now paying rent, paying her bills, paying for proper nutrition for herself and the child she takes care of. This has been impacting on her ability, basically, to provide for herself and then subsequently being able to provide for that disabled child.

Does this really make any sense when that person is providing, you might say, an in-home social service when your government is almost saying that's the way you want to go; in other words, take the government out and if you can help your child at home, or family and friends helping? Here's a perfect case where that 22% cut didn't make any economic sense; never mind the morality of it,

the social sense. From an economic perspective, we are basically punishing a person who is probably doing the right thing in providing that one-on-one care that can be provided much better than any government could.

I'm saying, has the rationale of that been looked at? I did write a letter to the ministry, and I know you get a lot of letters, but I have not received a response even. I wanted to see what the rationale was from an economic and social perspective.

What worries me now is that in the discussions about workfare, it seems that this mother, the single caregiver, may be forced to go out and take one of these workfare jobs, because the report in the paper says that it will just exempt mothers or parents with children under three. This person has a 13-year-old and it would be insane for me to get her to get out of the house when she's probably got a job in the house to begin with.

As you know, it's not only this case here. There are so many people in homes who have everything from physical problems to schizophrenia etc, and you almost need hands-on care. I'm wondering whether you will take that into consideration when you're looking at these workfare rules.

Hon Mr Tsubouchi: Yes, we will. We'll take that into consideration. That's one of the areas that we are considering when we're looking at workfare and the impact. You're certainly right to raise it and it's certainly something we are considering.

Mr Colle: So this three-year-old limit is not therefore one that is etched in stone.

Hon Mr Tsubouchi: I think it's more in terms of the context of caregivers that we're taking this into consideration. I think it may be more than just children you're looking at in terms of caregivers. So that's the context we're looking at it in right now, and yes, we are looking at this.

Mr Colle: So you will review this three-year-old proposal, that this will not force single parents, or in this case—I know of an 84-year-old woman right now who's taking care of a son who's 50 who's got disabilities. I'm just wondering what these workfare requirements will mean to these people.

Hon Mr Tsubouchi: That's actually the context in which we are looking at it, in terms of the caregiver: not caregiver just tied to children, but caregiver tied to disabled people as well. This is a context in which we're looking at it and we're considering, because it's just not mothers with disabled children; it's also caregivers. You're right to raise a lot of these points in terms of the context of workfare, in terms of the cost of providing alternate services in the meantime. So yes, this is something we are considering. I appreciate your bringing it to our attention.

Mr Colle: So can I get some kind of report back—I don't care whether it comes to the committee or whatever—in terms of the impact of the 22% cut on these caregivers who are at home with young children, mostly? I would like to know what the impact of that has been on these parents who are at home and have been cut 22%. I don't know how widespread this is, but again I've had two people come to me in my own constituency, and it seemed unfair and illogical, for me, to do that. I wonder

if there's been any analysis of this and if we could get some kind of indication of perhaps a way out of that to allow these caregivers to stay at home with their disabled children.

Hon Mr Tsubouchi: Can we look at this from a different perspective? You may have people in your particular riding who are concerned in those situations, as you brought to our attention. Perhaps what we can do instead is work with you to see what services your constituents right now are accessing through the special services at home and the handicapped children's benefit programs, and whether or not they're being treated fairly under these programs. Let's find a solution here.

1120

Mr Colle: She's knocked on every door and tried to access those programs. The problem is the decline in her income. That's where the real hit is, because she still has to pay the same hydro bill, telephone bill, accommodation fees. That's where there's no support in terms of her ability to cope financially, and that 22% cut made that very, very difficult for her; never mind financially, the stress it's placed on her, and I guess that might be transferred to the child. That's where I would like some kind of assurance that you've looked at that in terms of her ability to be a caregiver when you've taken away 22% of her income.

Hon Mr Tsubouchi: Sometimes there's a bit of, I guess, misunderstanding in terms of what social assistance does provide. It's my understanding we provide actual hydro costs, for example. Maybe that was just the example you're using. But aside from the other costs, we provide the actual hydro costs.

On the other hand, one of the reasons why the special services at home is a program that was not constrained is it did provide funding directly to parents to assist specifically for their children with disabilities. I would be very interested to see whether or not your particular constituent has had access to these programs.

There are other types of constraints or difficulties out there. Yes, I agree it's not easy for everyone out there, but these are some of the ways in which we can specifically work with you to resolve some of the problems that your constituents have. We'd be very interested both at the ministerial level but also from my office as well to work with you.

Mr Colle: This one parent is part of a group of parents who belong to a centre called St Bernadette Centre, and it's a community based program where they basically have rented a room in a school and they bring children there during the day, at lunch, and also an after-school program. Some of these children are multihandicapped, multidisabled, and so what happens is they have a very good network of finding out what services are available. I'm sure they've explored them all. I know the one mother who's in charge of the St Bernadette Centre used to work in municipal government, so she knows the access to service. I just hope that you maybe, or someone in your ministry, would look at that. These are typical of parents who are going through this trauma where they have been cut back and their support financially has been hurt. Other social services are in danger. I can pursue that a little later with the St Bernadette Centre—

Hon Mr Tsubouchi: We would be more than happy

to work with you, Mr Colle.

Mr Colle: —and see the impact and see whether they have accessed everything.

Mr Michael Brown: I would like to pursue some of the questioning of my colleague from Quinte with regard to the STEP program, which I believe was initiated in 1989 or so.

Hon Mr Tsubouchi: Through the Liberal government.

Mr Michael Brown: It happened to be, yes.

Hon Mr Tsubouchi: I was wrong; you're right. I gave credit to the wrong party.

Mr Michael Brown: I don't think I'm very concerned about the credit, but I am concerned about the transitions report that Judge Thomson had created on behalf of the government after a lot of consultations. In that report there were a number of other barriers to people moving from welfare, disincentives, if you wish to look at it that way, besides just basically income. In that regard, you would talk about health benefits that may be available to someone on social assistance, which certainly are not available to someone who may be in a minimum wage job or a workplace that doesn't have an extensive benefit package: those kinds of items, dental plans etc, that are available to some extent under social assistance but not available in the workplace. Sometimes those barriers are far greater, often for single mothers whose children need a variety of services. Having four or five hours a week of work is great but it just wouldn't pay for the benefits they may be losing.

Maybe you could outline what particular steps your government is taking to address those impediments to moving from social assistance to the workforce, because I think in many respects they have far more impact on individuals than the fact that you can make \$40 or \$50 more a week or whatever.

Hon Mr Tsubouchi: As we move closer into the workfare program, one of the key issues that we are in the middle of resolving is the role that child care will play with workfare; as you've indicated, single mothers with children, for example. That's part of the puzzle that Janet Ecker, my parliamentary assistant, is working on right now with the child care review. That's part of the discussion they're having as well: How is this going to fit into our workfare scheme? You're certainly right; it's a very important consideration that we have to make.

With respect to further detail on the STEP program that you're asking about, perhaps I can call on Kevin Costante to give us some more information on that.

Mr Costante: Did you have something specific, or do you just want me to talk about the STEP program in general?

Mr Michael Brown: The idea of the STEP program is to permit the transition from social assistance into the workforce, and if there are a number of other barriers besides just monetary barriers to doing that, I was wondering what steps the ministry is taking to overcome those other barriers to someone on social assistance moving into the workforce.

Mr Costante: If I can just talk a little bit about STEP to start with, prior to 1989 there were only about I think 14,000 or 16,000 people who were on social assistance who were also working part-time. With the introduction

of the STEP program and the recent changes to the earn-back to allow people to retain more, we're now up to almost 100,000 people on social assistance who are working to supplement what they get from the welfare system. So from that perspective it's been a very successful program. It's also a program that is in existence in every other province of Canada in their welfare system, and they all have variations on the Ontario model, really.

In terms of other improvements, one of the most recent ones is that there was a barrier because people were getting free drugs on social assistance and then if you went off social assistance you had to pay for it yourself. I think the Trillium program has started to reduce that barrier. Again, I believe the government with the recent changes to the Ontario drug benefit program has announced the lowering in terms of the deductible that one has to pay before they can get it. For a single person you had to pay around the first \$500, and I believe it will be down to \$350 when the changes are implemented. So that does help people make that transition, because they know they'll have some support in terms of drug costs.

We have also started talking with the Ministry of Health about how we can better combine the supports under the social assistance system for other costs, such as assistive devices, with the programs they run to again smooth the transition, because I think that's what Judge Thomson was talking about in his report, really smoothing that transition. So there are some efforts going on in that.

Another part of helping the transition, if you will, is to try to provide some assistance to individuals to seek employment, to look for work. I think we've done that with employment programs that we operate in conjunction with municipalities, and as we develop—

Mr Michael Brown: Could you just elaborate on that particular section, the employment programs with municipalities?

Mr Costante: The ministry has a number of programs. For some time now we've been operating a joint-funded program with municipalities and first nations. It's called the municipal-first nations employment program; it's about a \$30-million program. Many of our welfare offices provide support to help people with résumé writing, interviewing skills. Many of them now, in conjunction with our federal colleagues, have the job bulletin boards, the kiosk where you can look at jobs that may be available in your area or in your province.

1130

As well, the previous governments have introduced opportunity planning pilots which provide a similar service in a number of communities. The previous government, in 1994, had introduced some JobLink resource centres, which was a joint municipal-provincial-federal initiative, and I believe you mentioned yesterday that there were some in your area. So those are the types of services. Again, there have been some efforts to try to coordinate this effort with federal government services, because they've been in this business for a long time in terms of Canada employment centres.

I think again, as we look at services we provide and as we move into reforming the welfare system, we'll be looking at providing a standard of service across the

province in terms of employment support to help people with résumé writing and getting information.

Mr Michael Brown: What is the present status of those programs? Will the government be continuing with the employment opportunities programs—I guess that's not the right word—the employment programs that are presently in place or are they to be replaced or eliminated?

Mr Costante: What's happened is really we've layered on program after program over the last several administrations and never fully implemented some of the programs, such as JobLink. I think what we will be looking at is what is required out there and trying to rationalize and streamline the programs into a single point of service and get whatever cooperation we can with the federal government.

Mr Michael Brown: Interesting. I think that answers—well, I'm not sure it answers, but it clears up some of the questions.

I wonder if the government, just so members would know, would table any changes or let us know what changes to the regulations have been made since the new ministry has come into place and an analysis in terms of both cost and policy objective by making those changes. I think there are many of us who aren't aware of perhaps certain initiatives of the government. It would be good to have them in one place so that we could understand, as members of the Legislature, exactly what the direction of the government is. I know, for example, that the famous spouse-in-the-house regulation has been changed; if someone could elaborate on the change and what was the policy reason for the change, and then explain what the economic impact of the change was to be in terms of the finances of the province.

Hon Mr Tsubouchi: I don't know if we have enough time to do that now, looking at the clock, but could we continue this this afternoon?

Mr Michael Brown: I'm sure we can.

Hon Mr Tsubouchi: Because I certainly would be more than happy to—

Mr Bisson: Stay as long as you want.

The Acting Chair (Mr John C. Cleary): You've got four minutes.

Hon Mr Tsubouchi: Oh, I'm sorry. Okay, let's get into the area then.

Interjection.

Hon Mr Tsubouchi: No, but it's an interesting area that we have to look at.

Kevin, don't go away, because I'm going to get you to fill in some of the numbers for me—

Mr Costante: I'm not going anywhere.

Mr Michael Brown: Kevin just loves me when I get to ask questions.

Hon Mr Tsubouchi: The spouse-in-the-house regulation changed the cohabitation period from three years to basically zero, but you still have to have three essential criteria in order for you to fit into this new definition. The first one is cohabitation or co-residency. Clearly you're able to define that. The second one is some sort of financial interdependence, that you have some sort of shared finances of sorts, whether it's credit cards or bank loans or things like that. The third criterion is some sort

of familial interdependence, which means that the couple are holding themselves out to be a couple. So you need all three of these criteria to get it.

Now, there has been some indication in the papers, of course, that there are a number of questions that are asked to determine all this. However, the questions that are being asked are very similar and not many more—I think it's only a few—than the old questions that had to be used to determine the same factor at the end of three years. There are currently 39 questions on this document and it contains some of the same questions found in the previous 42-question version. So I was wrong; there are less now than there were before. But basically the same format is being used to determine that type of eligibility, but instead of in three years, it's done as soon as these three factors come together to give you a sense that there is some sort of a relationship there.

You wanted some numbers to bring to this context. Kevin can do that.

Mr Michael Brown: What are the anticipated savings?

Mr Costante: We anticipated the savings from the spouse-in-the-house rule to be approximately \$20 million on an annual basis. That was our initial estimate. We need some months to see how the numbers prove up as to whether our estimate was high or low.

Mr Michael Brown: Does this regulation apply only to heterosexual relationships?

Hon Mr Tsubouchi: We actually continued the same standard that was previously in effect, so the answer is yes. We didn't change the standards; we just changed the length of time.

Mr Michael Brown: No, I'm asking if it only applies in heterosexual relationships.

Hon Mr Tsubouchi: That was the prior standard, yes.

The Acting Chair: Mr Brown, I think we'll have to continue this afternoon. Mr Bisson and Mr Pouliot.

Mr Bisson: I've got a series of questions stemming from your remarks that you made to this committee. I got a copy from one of your members of your statement yesterday. Maybe the ministry people will be needed in order to give us some of the stats. One of the things that you say in your statement is, "For many on welfare, this will be the first time they have had any obligation to work—or even look for work," and you talk about how this is going to get people off the welfare system and into jobs.

I wonder if you can provide us with the total amount of people who are on GWA. That would be the question I would be asking, and I'd like to have that information tabled to the committee: How many people, total, on GWA, and if you can break that down to how many people have been on the system for less than a year, less than two years, less than three and more than three. Obviously the idea of that is to take a look at where that cycle of dependency is.

Hon Mr Tsubouchi: How long have people been on assistance?

Mr Bisson: Do you have that information?

Mr Costante: I don't have the information about length of time that people have been on right now. I'll have to go back to our statistics unit and see if they can—I suspect they'll have to do special runs to do that,

so it may not be available in the next few days.

Mr Bisson: I know the information is available, because I remember at one time I did get it when we were in government. Specifically, less than a year, less than two, less than three and more than three is what I'm looking for; and I see some nods that we can get that.

The other thing is, you talk about your new program that you want to do around workfare called America—I mean, Ontario Works.

Hon Mr Tsubouchi: Slip of the tongue.

Mr Bisson: I think it's a slip of the tongue; I didn't mean to do that, really; I didn't want to be too combative. I guess there are two questions. Who's doing your policy work here? I understand there are a few private sector firms involved in developing the policy on this particular thing. Who's doing the crux of it? Who's doing the most of it? Who's developing it?

Hon Mr Tsubouchi: The policy is being developed through my committee of MPPs working with the ministry.

Mr Bisson: But is it ministry staff or are there also mixed in that private sector consultants such as Peat Marwick etc?

Hon Mr Tsubouchi: No, ministry staff and my committee of MPPs.

Mr Bisson: So there are only ministry staff and MPPs who are now presently working on developing a model of your workfare?

Hon Mr Tsubouchi: That's right.

Mr Bisson: I know that you have looked at the America Works program. I don't know if that's what you want to model what you're going to do here in Ontario on, but I wonder if the ministry or you can provide us with stats about how that has worked. What has been the result of that particular program?

1140

Hon Mr Tsubouchi: Just to answer that before I do refer some of this to Kevin, because Kevin's working with us on the workfare, first of all, we have looked at different jurisdictions to see what their failures are, why not to follow on these failures. We've certainly looked at some American models. We've looked at Alberta. We've looked at Quebec. We've looked at New Brunswick.

Mr Bisson: I hope you looked at Quebec with feeling.

Hon Mr Tsubouchi: Yes, we always do. But what we really decided was that we needed a made-in-Ontario solution, and I'm glad to see you corrected yourself. When you started to say, "America Works," you said, "Ontario Works," and that's the whole point of this: We want to have a made-in-Ontario solution for all this, because Ontario is not the United States, Ontario is not Alberta.

Mr Bisson: So what you're saying then is that it's not modelled on the America Works model, what you're doing here in Ontario.

Hon Mr Tsubouchi: What we're saying is that we're developing that model right now with my committee of MPPs. They've done a lot of research.

Mr Bisson: What I'm asking you is, it's not a carbon copy of America Works?

Hon Mr Tsubouchi: Of course not. We're trying to

find a solution that works in Ontario.

Mr Bisson: For the assistance of the committee and I think all members of the Legislature, in this work your committee of MPPs and ministry staff are doing has there been any kind of work done in order to take a look at the effectiveness of what those other systems have come up with, what they found in Quebec, in Alberta and in the States, in the various jurisdictions? Can you provide us with that, some hard stats about how many people were in the welfare system before they did this, what were the main initiatives that they did under their programs and what has been the result in regard to the people who supposedly are off the system? Can you provide us with that?

Hon Mr Tsubouchi: The discussions and the consultations we've had have been fairly far-reaching, and one of the things we wanted to see was what actually did work in some of these programs and what didn't work. There are a number of aspects to these things. Some of the employment programs—I'd better say training programs; we looked at that too—didn't work in some jurisdictions.

Mr Bisson: No, I recognize what you're saying and I realize that, but what I think would be useful to the committee is actual information, like stats on what those other models have resulted in, so that when we're debating this as legislators in this assembly we're able to bring forward points of view based on what other people have done. I think that's something that should be shared with all members of the assembly.

Hon Mr Tsubouchi: I guess my point in all of this is that we haven't finished completing developing the actual program; we're working on it certainly. The difficulty in terms of what you're asking us to do right now is that it may possibly—you know as well as I do that somehow different people—I'm not saying you certainly—may get into cherry-picking in terms of different aspects of programs we may have looked at when it has actually nothing to do with the actual format or development of our program. We've looked at other areas. What I can say to you is that certainly this information is accessible to anyone outside of our government.

Mr Bisson: So you're telling me the ministry will not provide the committee with that information?

Hon Mr Tsubouchi: What I'm saying is that we're still developing the program right now and I don't want to prejudice what this program will look like out there.

Mr Bisson: I don't think it's beyond the rules of this committee to request that information. If there is information—and I would look for some direction from the Chair—that can be provided, that the ministry now has that looks at how well these programs have worked and what the stats are, can we request that? Is that something in order?

Hon Mr Tsubouchi: Before you actually answer that question, Mr Chair, I'd also like to say—

Mr Bisson: No, I'm asking the Chair.

Hon Mr Tsubouchi: But I'd also like to say this has to be done in the context of the fact we're in 1995—

Mr Bisson: Excuse me, I'm asking the Chair a question. Can I as a member request that information if it is now within the purview of the ministry?

Hon Mr Tsubouchi: If it's relevant to the estimates

process which is 1995-96.

The Acting Chair: As the member had asked for information, I think that all members would like to know the direction Ontario is going in. I would hope that you would see fit, Minister, to provide it to the member.

Mr Bisson: All right. I understand what you're getting at, but what I'm saying is that I'm making a formal request that you provide this committee with stats that show what has happened in other jurisdictions when it comes to workfare; specifically, how many people in the system before it was introduced, what is the main crux of what they've done when it comes to the policies that they've followed with their new program and what has been the result of that? That's what I would look for.

Hon Mr Tsubouchi: Which jurisdictions are you requesting?

Mr Bisson: Whatever ones. I would be interested in the America Works one, but if you've got something out of Alberta or Quebec, I'd be certainly—anything you have along that line, because I think it's relevant to the debate. I think people accept that change needs to happen, but we need information to be able to look at all of this and make the change.

I've got five minutes and I'll turn it over to my colleague there. Just a couple of quick questions. In your statement you said: "Our policies have proved to be equally encouraging in relation to 16- and 17-year-olds. Since the end of September, we have gone from 6,295...to 5,107...."

I guess what I would like to know is, the ministry funds programs for hostels and stuff. I'm wondering, could the ministry provide us with what are the numbers in the hostels throughout Ontario that we know of, if those numbers are tracked by the ministry. What are the numbers in June of 1995 and if you can show us what's happened each month after within that particular—both for 16- and 17-year-olds and just generally?

The other thing is that maybe the Solicitor General, our good friend Mr Runciman, can provide us with this, but it would be really interesting to see what's happened with youth crime, because, in my community, I can tell you there has been a couple of incidents where some pretty obvious things have happened that are out of the ordinary. I'm just wondering if we have any kind of information in regard to—do you track that at all, what happens with youth crime?

Hon Mr Tsubouchi: That would the justice ministry would do that, I think.

Mr Bisson: We'd have to get it through them. Okay, my colleague has a number of questions.

Mr Pouliot: I need your help. There are so few of us by virtue of the people's decision last June 8, Mr Chair, that we go from one committee to another committee. Not that we feel that we're under a state of siege, but it's not only a lesson in humility, but a reminder of how these estimates work, for I was complimented with four different ministries with the previous administration, and the more it changes, plus c'est la même chose.

I don't want to deal with generics, and if a person does not have the answer, I'm a simple person with really a simple mind. I have to work hard at things rather than to try to slalom or to shy away from the truth, because then

I become a little better than I usually am, for I work with professionals. So the truth, please.

I have some questions regarding the snitchline, the fraud line, where you tell on your neighbour, the style that this administration has put through, when you punch the right pulse point, you make them so sensitive so those people are disorganized and they don't quite have the ammunition to defend themselves. So they're easy. So we focus on them to get the vote and then after that, we follow through with the fraud line.

How many people have used the fraud line, question?

Hon Mr Tsubouchi: Kevin, come on back up.

Mr Costante: Up until January 31, there have been 14,155 calls.

Mr Pouliot: Fourteen thousand, thank you kindly. How much money has been saved, if you can factor it in?

Hon Mr Tsubouchi: Before Kevin answers that, perhaps I can indicate, once again, the process that happens. It takes some time for this, obviously, for us to check out whether or not the allegations are worthy of being pursued further. If they are, then they're referred to our field offices to check them out, and at that point, if there's any indication that there's criminal fraud involved, they're referred to the police.

Now, as you're quite aware, it takes some time for this to go through the process, to find out what kind of dollars etc. I don't believe that we'll have figures on this for a while, but perhaps Kevin can indicate that.

Mr Pouliot: You've been the government for eight months now. So that should be sort of matter of fact.

Hon Mr Tsubouchi: But it's only since October 1.

Mr Pouliot: So you don't have the answer for this. How many charges? Fourteen thousand people took it upon themselves to excel in citizenship, and they said: "Well, we have a concern here. We are paying for all this. You should be aware of this." That's 14,000 plus. How many charges have been laid?

Hon Mr Tsubouchi: Before you answer that, Kevin, once again, Mr Pouliot, the concern that your colleague yesterday indicated was, are we moving too fast; they're concerned with the checks and balances in place to make sure that the people who shouldn't be charged are not charged, people who shouldn't be pursued haven't been pursued. I think, frankly, we've got the proper checks and balances. I've already indicated to you that it has to go through this process. Whether someone has been charged or not is not an indication of the success or failure of the program at this point in time. I think we'll be in a better position to assess that once we have an idea after it has gone through the various processes it has to go through. 1150

Mr Pouliot: I understand "fair and equitable" but, with respect, we have established and we have acquiesced that 14,000 people took the opportunity to place the call. Out of that 14,000 people, how many actual charges have been laid, legitimate and relevant?

Hon Mr Tsubouchi: Mr Pouliot, once again I think that Kevin would be in a position today—

Mr Pouliot: You don't have the numbers.

Hon Mr Tsubouchi: —to indicate whether or not there are specific fraud allegations at this point in time. Bear in mind, of course, that this system has only been in

place from October 2, I believe, of last year. You are aware as well as I am how long it takes to go through a proper allegation, to make sure it has some sort of substance.

Mr Pouliot: Do you have a ballpark figure? If you don't know, I can accept that. If you need more time, if you can tell me when you will have that in hand, because of due process and diligence, I can accept that.

Mr Bisson: I can't.

Mr Costante: We know how many fraud charges were laid last year. It was approximately 700.

Mr Bisson: Out of those calls?

Mr Costante: No. I am talking about, we have an existing structure out there to deal with allegations of wrongdoing and there were about 700 charges last year as a result of that. In terms of when we will have something, as the minister has indicated, it takes some time to go through the process, to make sure that first there is a check by our own field workers. If there is some basis for the accusation, we then refer it to specialty workers called eligibility review officers, which we have had in our system for some time. They will then check it in more detail. If there is strong evidence of a deliberate attempt to defraud the system, we then refer it on to the police and then they do their own investigation, and things then go to court. So these things can take months and months.

We expect that next month we will have some preliminary figures from the calls we received in October and perhaps the early November calls. So it takes some time just to go through them. So the government won't be able to give you a full report of what has happened with all 14,000 calls next month, but just some of the calls from October, and that's just the way the system works.

Mr Pouliot: It's quite difficult and sometimes it's a pretty tall order with dwindling resources, with the anxiety in the civil servants—and God help and bless them—and that anxiety leads to fear, and fear creates proportions that are sometimes extraordinary. They are about to slash and burn 20,000 of those fine men and women that work for the public service, so it is difficult to get answers when you increase the workload.

I have some supplementary questions. I'll be brief. How many people have left social assistance rolls because they have found jobs?

Mr Costante: We do have some information in terms of statistics from our computer system. If I can find it in this pile I'll maybe talk about it. We also have an intention to do a follow-up survey to get a better indication.

Mr Pouliot: I don't need them right now, with respect, because I have a list of supplementaries. Maybe if you could kindly jot them down.

How many people have had to go off—and this is ambiguous, a nuance—social assistance in order to qualify, to meet the criteria, to stay in "a hostel"?

Mr Costante: I don't understand that last question.

Mr Pouliot: What are the criteria, what do I have to do if I wish to stay in a hostel if I am on social assistance? Don't I have to be off social assistance to have access?

Mr Costante: No, I don't think so. No, you don't.

Mr Pouliot: Okay. I apologize, I have some more homework to do.

How many people who were on social assistance left the province?

Mr Costante: That information we don't know.

Mr Pouliot: I have some more supplementary questions vis-à-vis tracking and you've partly answered that. So you don't know if a Jane Jones and Harry Smith—hypothetical of course—were on social assistance, were recipients, and now they're no longer, simply because they moved away to British Columbia, be it; it can be any jurisdiction.

Mr Costante: Mr Pouliot, I think that part of the problem we have in actually getting an assessment of these questions that you're asking now is as a result of the exit questions that we inherited from you guys. That's part of the questions that we're asking now. We want to have a better tracking system. We just have in place right now what we inherited from you.

Mr Pouliot: Forget the inheritance. You've been the government for eight months now. You should have better things to do in your time, with respect, Minister, than reel off or peel off old Hansards, and to impute motives and point a finger. You're the person in charge. That's why you're getting the big dollars now, that's why you're in the back of the car, that's why you're trying to escape the city under the cover of darkness. That's why you're quoted when you ask people to bring a hammer to go shopping. That's why you're being quoted when you go beyond belittling people, because you go beyond your—no more candour. That's why you are quoted in the film industry. Those things are all fair game, Mr Minister. They've done it to me. And I reciprocate, not with passion nor vengeance but suffice it.

Hon Mr Tsubouchi: But probably justifiably in that case.

Mr Pouliot: And how many people have been taken off the rolls for being deemed to have a spouse?

Mr Costante: As a result of the new spouse-in-the-house rule, we have estimated that up until December 15, it was approximately 5,700 cases came off the rolls as a result of spouse-in-the-house. Now some of those would have come off anyway because of the three-year rule that was in prior. So that's the total number.

The Acting Chair: Mr Pouliot, could we continue this at 1:30? I think other members have commitments. That will leave you with 10 minutes to start at 1:30. Maybe you'll have some other questions.

The committee recessed from 1157 to 1329.

The Acting Chair: I call the meeting back to order then. The NDP still has 10 minutes.

Mr Bisson: If I've got 10 minutes I'm going to use it. It would be nice to have the same gentleman who was here a little while ago because I've got some more specific questions. Maybe you can call him in.

Hon Mr Tsubouchi: He's here.

Mr Bisson: Don't disappear.

I want to go back to the questions that my colleague asked around the 1-800 anti-fraud line. In your presentation that you made to the committee yesterday, I was reading here that on the 1-800 anti-fraud line, of all the calls that came in, according to your statement here

yesterday, 63% resulted in being passed into the ministry in order to have them investigated. How much of the 63% have you actually had a chance to go in and take a look at? I should rephrase that. Out of the 63% of those that you referred for investigation, have you concluded any investigations?

Mr Costante: I don't have any statistics on that as yet. As I indicated earlier, we will have the statistics next month as to how many have been looked at and what's happened as a result of those examinations.

Mr Bisson: There's no information in the ministry at this point?

Hon Mr Tsubouchi: Actually, it's in the processes, obviously, that once we've determined there's some substance to the fraud or abuse allegations, they're passed on down to the EROs at the field offices for further investigation.

Mr Bisson: All right. Can I ask the minister specifically: When that becomes available in about a month, what I'd like to know and I think all members would like to see is, of that 63% of cases that have been referred to the field staff, what are the results of those investigations? How many of them actually led to charges, if that's possible to know? How many people were cut off—how many were real and how many were not, just to get a sense?

Hon Mr Tsubouchi: I think not only the member would be interested but the general public would be interested. Once again, I think at the end of the month I'm not really sure what we're going to have, because obviously there's a lot of investigation required in these matters. But certainly I know that there's a great deal of interest not only from you, Mr Bisson.

Mr Bisson: I ask a general question on this, just to follow up. They had done a similar thing in the city of Timmins and I think a bunch of municipal welfare offices had done the same thing. We had found that there were a lot of neighbourhood complaints going on that weren't substantiated. I'd be interested to see if that's the same as what you're finding on your provincial line.

Hon Mr Tsubouchi: Yes. I think all of us here, with great anticipation.

Mr Bisson: There is another comment here. You had mentioned to my friend Mr Pouliot—I forgot the exact number—that there are ongoing and have been ongoing, even before the time the Conservative government came to power, investigations done by case workers in cases of fraud. In the statement that you made yesterday—I was just reading here—one of the bullet points talks about, "Random home visits by case workers are now a condition for receiving welfare and the visits will be used to verify eligibility." Can either one of you tell me, have you started those random visits already?

Mr Costante: Home visits in the old policy were really at the discretion of the individual. They could say no, and a home visit wouldn't take place. The change in policy really is to allow, on a random basis, the ministry to move in.

Mr Bisson: I understand that part. The question is, have you started that random process?

Mr Costante: Yes, there have been some. It's varied across the province.

Mr Bud Wildman (Algoma): Do you require search

warrants?

Mr Costante: No, we don't. It's dependent on their local resources and their practices that they had already. Many were already doing home visits or were having clients come into the office. So it's essentially an enabling provision in the legislation.

Mr Bisson: But the difference now is that the minister has instructed, through I guess policy in the ministry, that you will start doing it, and there have been some changes, I imagine, to the regulations to allow that to happen.

Mr Costante: That's right.

Mr Bisson: I guess the question I would have is simply this: If those random visits have started, is there going to be a reporting process where we're going to be able to see, out of all the visits that you've gone to, what that resulted in? Were there charges laid? If yes, how many? How many people were actually visited at random? Do you track that kind of information?

Mr Costante: No, we don't. One of the difficulties you have here is—the result of somebody coming off welfare—it's hard to pin it on a particular instance: Is it a policy change? Is it the result of a home visit? Is it the result of the person himself or herself getting a job?

We're trying to keep statistics in terms of people withdrawing as a result of the fraud hotline. But we have, between the municipal and the provincial systems, 7,000 workers out there and it's hard to keep track, every time they visit, if something is actually the result of that or if it is the result of a series of things. I think that would be a very time-consuming and hard statistic to collect.

Mr Bisson: We'll come back to that later. I think my colleague Mr Wildman had some questions he wanted to follow up on.

Mr Wildman: I wanted to follow up on what my colleague was inquiring about, and also on a question I raised at the end of the session yesterday which I hope you've had some time to prepare a response to.

What's entailed in a home visit? What happens? Do they come in and sit down and have a discussion or does the worker search the house or do they have tea or what?

Mr Costante: What's generally entailed is that they will essentially review the person's eligibility. There is a form 1, we call it, which is the basic eligibility form. They'll go through the information contained in that. The condition on the home visit is that it not be intrusive. They can't go into closets and stuff. It's just whatever is in plain view. This is not a search of the house, if you will.

Mr Wildman: Does the spouse-in-the-house rule apply to people who are receiving provincial disability benefits?

Mr Costante: That's correct.

Mr Wildman: Why would it? If the person is receiving a benefit based on one's disability, the fact that there may or may not be an individual living with that person doesn't change the disability.

Mr Costante: The basic requirement for assistance is an income and a needs test, so that starts first. This is not a universal disability program. This is primarily an income maintenance, income support program. That's the first test and then there's the disability test.

Mr Wildman: I won't go into particular details but I

would like some clarification on a particular case that was brought to my attention recently, where an individual was on a disability pension, disability benefits, from the province. She had a boarder who paid rent. The monthly rent was deducted from her benefits, which is understandable, but now she's been informed that despite the fact that for a number of months this has gone on, she will now be denied benefits because of the spouse-in-the-house rule.

How the agency determines that the boarder is now a spouse is beyond me. How would that happen? Do you know? Obviously, you don't know the specific situation, but up to now this individual's been paying rent, the rent has been deducted from the benefits and suddenly the benefits are denied.

Hon Mr Tsubouchi: Mr Wildman, we had discussed this earlier this morning. One of the things we indicated was the criteria to determine whether or not someone falls in that category. Secondly, the question document that's used to determine this now has 39 questions as opposed to 42, but as under the old system, the format has not changed that much. So the same questions are asked at this point in time as were asked basically at the end of three years.

If there's a situation where someone is actually a boarder and doesn't have the third element, which is the familial interdependence, ie, holding themselves out as a couple somehow, being acknowledged as a couple, if that element is not there, then they shouldn't have been assessed as being in that category. So if there's a problem, there is an appeal mechanism certainly that's available to anybody.

Mr Wildman: So she could appeal. Is this sort of the Shania Twain approach to benefits: Whose bed have your boots been under? So she can appeal. All right.

The other question I raised last night was if we could get some statistics on the number of recipients who have gone off benefits, who are no longer on the rolls. I'd like to get the results of the studies you've done as follow-up to determine where these people are now, how many are working, how many have left the province, what kinds of jobs they are in, how many are taking classes at school, perhaps, or in other programs, and how many have fallen between the cracks and may be on the street.

First I'd like to know what studies you've done and the results of these studies.

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Mr Costante: I partially answered the question this morning. We do plan to do a follow-up study about where people are going after they leave assistance. We do have some information from our computer program which I can talk about that I think gives some insight into what's happening, but it's not a complete picture.

When somebody leaves the system our workers are asked to—essentially there are termination codes that are collected on the computer system, CIMS, which is the provincial system. Unfortunately, there is a large number of those codes, and that particular part of the system needs to be cleaned up and we are going to be addressing that. There's something like 90-some codes in the FBA system, various reasons why people leave, and around 50 or so in the GWA system. So it's a great number. I can

show you the list.

Mr Wildman: When you say "reasons"—

The Acting Chair: Mr Wildman, your time is up. We've got to cut you off there. It's the governing party's turn now.

Mr Wildman: Oh, fine. I don't want to take up any of their time. I'm sure I can get this information. I'll be back and I'm sure it will all be codified and we'll see. So I'll come back in I guess an hour.

Mr Rollins: Mr Chair, some other answers to some questions that I feel some of the other people have been asking—I'm not sure whether we as a government should really install turnstiles on our boundaries and our exit borders to find out how many dollars we could waste in finding these people have moved into another area or something else. It is a nice statistic to be able to have, but I don't think we should waste a whole lot of dollars in finding out exactly where all those people go when they go off the system. Those are real dollars that could be going back into helping people. Granted, if it's available at the start—but I don't think we need to spend X number of dollars in worrying about those things.

One of the other questions was asked about the hotline for phoning in. One of the first hotlines for this type of system was set up in Hastings county, partially in my riding. It was I think one of the first ones in the province. In the first 11 months that it operated it had two and a half people working for it. I don't know how they cut that one person in half, but they managed to cut one person in two, so they had two and a half people working on that for 11 months.

Mr Pouliot: A person was half-time.

Mr Rollins: Yes, part-time or maybe three people for a little while and maybe two people some other time. That might have been the way they did it. I'm not sure. But anyway, those people managed in 11 months to recoup about \$1 million. Two and a half people's efforts to return \$1 million—that was not all turned back in in cash and in payment. There was some misuse, there was some abuse in it, and I think we all probably read the front pages of the paper periodically—there are people fined for defrauding the system in some nature. It wasn't all fraud; there were some things that people were getting when they shouldn't have been and some of those kinds of things.

I think the other concept is that we as a government and we as people who try to look after the people who are less fortunate than some of the rest have got to also keep in mind always that there's a large number of working poor, and those working poor are the people who make minimum wage, work darned hard, long hours. Why shouldn't they be better off than the person who doesn't contribute to that work ethic? I think that has to be continually looked at and continually cultivated to make those people a better reward. Maybe we will have to go to those small people and say that they're in that lower-income bracket and say we've got to subsidize them to the point of being able to give them some medical care, some benefits for drugs, benefits for dental, to keep them in there. I'm sure those people must get awfully flustered to realize that, working at \$8 or \$9 an hour for 45 hours a week—to come home to find out that

his next-door neighbour is on social assistance and is living better than they are. I think that must be devastating for them. "Why the heck should I go out and put on an extra coat because it's cold weather to go to work?" I think those are the kinds of things we always want to keep in mind. It's nice to say, well, you shouldn't cut and it's hard on people and things of that nature, and then we've got the budget problem on the bottom.

I wanted to make sure that some of those people from the other side realize that phone-in line was profitable and I know those are the people who in our county and our area worked at. I think it's complimentary to them to start it. I feel really strong for it and I know those people support it very strongly. I'm now going to turn the questions over to Mr Baird.

Mr Baird: I had a few, not huge issues, but four areas that I was hoping to discuss, Minister. The first is with respect to discrepancies. In reviewing the estimates books, the forecast for the 1995-96 year—and I suppose it was brought in last year by the previous government—for social assistance expenditures particularly, there's a difference, a discrepancy, that's in some cases double-digit. Is there any explanation you can give for this?

Hon Mr Tsubouchi: Mr Baird, I think one of the problems we're looking at is of course we're coming out of this estimates year partway through. Obviously the original forecasts were not made by our government, and apparently the previous government's estimated savings were reflected in the social assistance allocation without actual plans for achieving the savings. The 1995-96 estimates for social assistance were reforecast at \$611 million higher due to the revised labour market and economic forecasts from the Treasurer's April 1995 statement. So the forecasts were based, I suppose, on trying to achieve some savings without an actual plan to do it. Unfortunately, now we have to adjust things from the estimates before and I think \$611 million is quite significant.

I think I might ask Kevin French to give you more detail on this area, Mr Baird.

Mr Kevin French: Kevin French, manager of estimates and allocations. As the minister has indicated, the estimates briefing book that was published, the front section of the binder, covers the previous estimates from the previous government. In the background section of the estimates briefing book we have the reforecast calculated there and the number is put in there at \$6.4 billion. As the minister indicated, there is a \$611-million discrepancy between the previous government and when this current government came in, in June.

Mr Baird: I don't know, Minister, whether you're best to answer this or your official. Is that size of \$611 million comparable to a discrepancy on an annualized basis, for example, at any time over the last five years, 10 years, or is that unusually high? I mean, \$611 million—where I come from that's a lot of money.

Mr French: The size of the difference of the number that was in there was reflective of initiatives that the government would have taken to realize its estimates. There were no measures in place at the time the government left office.

Mr Baird: Could you table the plans, if they weren't

in place, for that? Were there any plans?

Mr French: There were no plans, to my knowledge, to realize that \$611 million.

Mr Baird: So it was just a hope.

Mr French: At the time the estimates were tabled, there were no plans in place to realize that \$611 million.

Mr Baird: Where I come from, and I come from Ottawa—fat cat city—\$611 million is still a lot of money. I couldn't help but notice in various categories, particularly on vote 702, item 3, there are sometimes double-digit differentials there which in terms of the estimates process I think causes some concern. But I appreciate that obviously there are different economic models, both at your officials' level and with the political change and I appreciate that.

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Hon Mr Tsubouchi: I try not to do this too much, but we don't deserve credit for that forecast.

Mr Baird: No, I appreciate that. As well, I suppose neither can the officials take responsibility fully with respect to that either, to be equally fair, because obviously the current assumptions probably don't rest entirely within your ministry.

The second issue I wanted to raise is with respect to automated assistance. I think most would agree that the existing system used by both municipalities and the ministry is outdated. Is there a difference expected in the new automated system for program delivery that you could talk about?

Hon Mr Tsubouchi: The new automated social assistance project—of course, the short form is ASAP—is really intended to be a comprehensive information system and technology plan to support both the transitional and future social assistance business requirements.

Case worker technology is one of the first steps in this plan and it's intended to reduce the time spent on paper-work and increase the time spent in assisting clients towards independence. It'll also reduce errors and over-payments and fraud, so it is a good initiative.

By the end of 1995, December 1995, the case worker technology had been implemented in seven Metro Toronto sites and two provincial sites: Brantford, which was implemented in the spring of 1995, which I had the opportunity to actually see, and in Whitby, which was implemented December 1995. By the year-end about 1,000 of our staff had received the training necessary in order to deal with this new case worker management tool.

Having talked to the front-line workers with respect to this new particular system, they have a lot of praise for it because they do believe—and that's the front-line workers—that it will improve efficiency for them and give them a meaningful tool they can work with.

Currently, we're targeting a March 1997 completion date to have it implemented and it'll certainly be of great assistance to us in terms of making the system more efficient.

Was there anything you wanted to add to that, Deputy?

Ms Lang: Thanks, Minister. I'd like to just elaborate a little bit on further steps in addition to automating the current practices through the existing case worker initiative where we are training our field staff and ensuring that they can utilize the tools that are available through

computers and the automation.

We are also in the throes at the moment of a major initiative to look at replacing the entire system, which is called CIMS and MAIN, which is a mainframe computer system; old, very, very slow, very difficult to change to accommodate the changing nature of the program and the magnitude of the policy issues that we're going to be confronting as we look at reform of the social assistance area. So we currently have a major tender on the street for a rethink of the computer system and we hope over the next two years that we can entirely restructure, re-engineer and redo the way in which the social assistance technology is there to support the delivery of social assistance as it is going to be configured in the future to deal with workfare, the guaranteed support plan and other reforms that the government would like to bring into place, as well as assist us with the tools to work with other governments to ensure that we're exchanging information in a timely and useful way.

Mr Baird: I appreciate hearing that. And to your officials, that's a tremendously big project internally, I can imagine, particularly when it's not just within the ministry, but as well with municipalities. I think that's something we'll want to keep an eye on because that's definitely very much in the direction the people of Ontario expect to go forward in terms of attaining administrative efficiencies and really doing more with less, which is often talked about but rarely seen on the ground in this specific instance like that project. So I look forward to hearing more as that unfolds.

The third area I wanted to ask about was with respect to employment programs within the purview of your ministry. A number of my caucus colleagues met with the Minister of Education and Training and MET officials to discuss training and apprenticeship and broader issues like that. Yesterday, I know there was a significant amount of discussion with respect to workfare. I think equally important to that, and to be fair as well, Mr Wildman and Mr Martin expressed yesterday the issue of training, which I think is very key, particularly with respect to during the campaign the proposal of learnfare that was a significant part of the political discussions. With respect to learnfare, though, obviously we're here today dealing with the 1995-96 estimates, so obviously, unless you're going to surprise us, I don't think there's going to be any major announcement in the context of those 1995-96 estimates.

What programs are being offered now by the ministry and what effect could you or your officials say about the sort of success level you're meeting with? I think being able to know the point of departure in the broader context of this fiscal year with where we're headed puts the discussion in the appropriate context.

Hon Mr Tsubouchi: I can give you some sense of that. First of all, the employment preparation programs which provide training and labour market supports for social assistance recipients have not been affected by the reduction in non-core services. We did have a constraint of 2.5% which was announced in July, as you all know. This was applied against all of our employment programs as part of the constraints in payments to our social service agencies.

Our municipal-first nations employment program is the

largest, and that served approximately 79,000 social assistance recipients in 1994-95, of which 17,200 went directly into the labour force from the program. In 1994-95, the program spent \$30.8 million, of which approximately one third was for child care costs, and the 2.5% reduction of course applied to that.

If I want to just sort of connect it for a second to workfare, one of the things we're looking for in terms of employment programs in connection with the workfare programs is cost-efficiency, that we will be getting into a fee-for-performance basis. So, unlike here where you have 79,000 people going through, of which 17,200 went into the labour force, our concept will be of course that if you, as an agency which we fund, do not place this person into a job, then you don't get paid. Certainly from the government's perspective, we're not paying for failures, we're paying for successes. We're looking for results-oriented programs and employment programs. That's why we call them employment programs, not training programs, which means employment programs to me is linked to a job. Training programs may not necessarily be so. They're preparation for a job.

Mr Bisson: That's like Jobs Ontario.

Interjection: That's a \$10,000 cheque.

Hon Mr Tsubouchi: Actually, we want it to be successful.

Anyway, I'll give you an idea of the employment programs that we do have for non-disabled social assistance recipients: the municipal job incentive projects, \$2 million; opportunity planning projects, \$4.3 million; work activity projects, \$2.8 million; innovation fund, \$4.8 million; resource centres, \$5.0 million; and initiatives for first nations, \$5.5 million.

I'd give you a sense of some of the programs, but I think we should be really looking and seeing what we will be doing in our work for welfare, our Ontario work scheme of things. We're looking for successes. We're looking for made-in-Ontario programs that are successful. We talked about a number of them yesterday. In fact, the one that comes to mind immediately was the incubator program in Hamilton, which was an excellent program to really create a second generation of entrepreneurship, where these people are now hiring people who themselves—they were on social assistance. They've created businesses now and now they're hiring people to work for them from social assistance. So we've now gone a further step. There are a lot of excellent programs throughout the province right now that I think we can take some note of and make sure we take the best of what's available.

Mr Baird: I would just encourage you then in light of that, in the context of any re-examination of how to deliver, is not to forget the private sector. I was visited in my constituency office recently by some folks who have a company where they do computer training. The key element of that is some work skills outside of their domain, non-computer-specific, for example, and a co-op program where they have this tremendously high success rate on a 26-week program at a tuition cost of I think about \$4,000. Some of the classes' success rates six months later have been as high as 65% and 12 months later in one instance reached as high as 87%.

1400

Of course, the great advantage of that is that it's not requiring massive resources within your ministry and can be gauged towards meeting a specific need on a season-by-season basis. You might have one season in two years' time where you'd have more, and then the next season you'd have less. You don't have to have the fixed infrastructure there. I encourage you to keep that in mind in the context of your deliberations with your officials.

Hon Mr Tsubouchi: There are a number of programs right now which we've seen and we've got some proposals from that have success rates right now in excess of 80%. That's quite credible, when you see programs like that working, which really means we should be looking for efficiency in programs. The programs that work, we should be looking at; the programs that don't, sorry, they don't work. It's just a very logical perspective on how to approach employment programs.

Mr Baird: Very much so.

The fourth issue I want to touch on, very briefly, is the issue of child care with respect to income-debt ratios and subsidies to your clients you serve in the province. There's a concern among some in my constituency that I'd like to raise in terms of reading the estimates book. It's clear we're spending a significant sum of the public's money. I think there has to be a degree of accountability there, particularly with respect to the income-debt ratio.

Maybe putting aside the issue of day care and looking specifically at its administration for a moment, I've had a numerous number of visits and calls and letters from my constituency where people use examples. I don't want to think for a moment that these are all anecdotal, because there are people with genuine concerns. I'm not suggesting this is entirely the case, or even substantially the case, but there are instances. I'm not in a position, to be honest with you, to tell you what the breakdown is. You're best able to judge that in the context of the administration of the day care system.

I have a number of constituents who have said they live and own their own homes, and perhaps chose to have children later in life. They drive a five- or six-year-old car, due to the economy and having to make things last longer. They'll have a neighbour next door who will have bought their home in recent years, who will have a significantly higher mortgage—obviously in the first five years your mortgage is at an incredibly high percentage in terms of its amortization—who will have a \$28,000 brand-new minivan, and even making less money—people are losing out. Their neighbours would be eligible for a subsidy or a greater subsidy and sometimes a full subsidy. I think there's got to be some recognition of that, some recognition that behaviour has got to be part of it in terms of the economic choices you make.

Some people, I think the best example is, would choose to spend their money on a \$28,000 minivan, while other people, through sound financial management, have had to get by on that five- or six- or seven-year-old car. That shouldn't have the impact it does on their children with respect to a subsidy for day care, because I think there's just an inherent inequity in that. That's a strong concern I've heard on numerous occasions from people in my constituency.

Hon Mr Tsubouchi: One of the reasons we're con-

ducting our review of the child care area under the able leadership of my parliamentary assistant, Janet Ecker, is that there's a number of issues that we have to deal with to provide better choice, more affordable, accessible child care and a certain degree of equity in the system as well.

I think that's one of the things you're saying right now: Let's look for a system that's equitable, that's meaningful. That's one of the reasons why we're doing the child care review. Obviously, we're doing consultations in that area, we're working with people in the area and it's very important for us to do a very comprehensive study and work and do the consultation for us to come up with the answers to these questions.

Certainly, we're listening to what people are saying out there and what you're saying is something that is being considered as well.

Mr Baird: I just feel it's important to pass that on in this context.

Hon Mr Tsubouchi: I appreciate your comments.

Mr Baird: Just before I yield to my colleague from Hamilton West, is there anything you could table with the committee that would give us a better idea of the \$611 million in lost money that's just evaporated? Is there anything you could table with the committee over the next few days—certainly not today, but in the future, because I think that's a fundamental part of the accountability of this estimates process and I think there's concern that this could happen.

Hon Mr Tsubouchi: One of the problems, and I certainly would like to accommodate you, as Kevin was saying, is that they made certain assumptions in terms of where they're going to be able to find those savings without any programs to do it. I suppose, from an accountability point of view, our government really isn't responsible for that.

Mr Baird: Very much so.

Mr Pouliot: Don't interrupt the minister so much.

Hon Mr Tsubouchi: On the other hand, as Kevin was saying, there was no program for achieving the savings they were determined they were going to get. So no program; there's your answer.

Mr Baird: It would be helpful, in the context of our long-term businesses, as parliamentarians to see how this happened in this instance so we could recognize it and it wouldn't happen again in the future, so we could learn from the mistake.

Hon Mr Tsubouchi: Perhaps we can table a note with respect to that, Mr Baird.

Mr Baird: I'll let you use your own judgement for your officials.

Mrs Lillian Ross (Hamilton West): Minister, I want to talk to you about child care as well. There's been a lot of information and I guess discrepancies in information coming from the federal government. I understand that Mr Axworthy made some sort of overtures to the provincial government about some funding for child care. There's a lot of confusion about that, and now there's been a cabinet shuffle and a new minister in place. I'm wondering if you can tell us what exactly is happening on that front.

Hon Mr Tsubouchi: I wish I could. During this long odyssey to try to get some sort of sense of where the federal government is coming from, we had arranged on

at least a couple of occasions to meet with Mr Axworthy, and for whatever reason—I'm sure he had good reasons—he had to cancel out on both occasions. We were trying to get some sort of sense from him. Now, we were getting different signals, obviously. We were getting one signal from him and the same sort of signal from his parliamentary assistant, Maurizio Bevilacqua, and yet his officials were telling a different story to us.

Where we are right now is that we've been in contact with Mr Young, who is of course Mr Axworthy's successor and he has indicated that yes, he is interested in meeting with us. We're trying to arrange something right now. Yes, it will certainly have a huge impact.

I think that's part of the overall theme we're talking about as well, that our government really can't operate in isolation from events going on around us. Certainly the federal government is going to have an impact in many areas, and its effect on Metro specifically will have an impact as well. That's why, as a real priority, we are trying to meet with Mr Young and get a real sense from him whether or not he is going to either live up to what Mr Axworthy has already indicated he will do, without any strings, or else determine exactly what he actually means.

Mrs Ross: Interesting when you say "without strings." It's been my experience in Hamilton that any time the federal government comes along with a project it's often tied to matched funding from the province. You say "without strings," so are you telling me that there were no strings attached to this?

Hon Mr Tsubouchi: Part of our problem was determining what conditions the federal government was willing to attach to any funding, which really has a huge impact on how we would approach things as a government. It's one thing for someone to say, "We're going to give you 50-50 funding." It's another thing for someone to say: "Here's funding. Use it as it would fit into your child care structure and how you intend to go with child care."

That's the difficulty we've had, Ms Ross: trying to find out exactly what the federal government meant or means or is intending. This is such an important issue. It's not something you can really determine on a phone-call basis. I think it requires a face-to-face meeting with Janet Ecker, myself and our officials. We have to meet with our counterparts in the federal government and their officials so we can really determine what exactly they mean.

Mrs Ross: Have you had any discussions with Mr Young since he's taken over that portfolio?

Hon Mr Tsubouchi: We've had some exchange of correspondence in which he has indicated that he would like to meet with us, so now we're just trying to get a date.

Mrs Ross: Okay. From what you say, the funding is for Metro Toronto, correct?

Hon Mr Tsubouchi: You see, the meeting we want to have with Mr Young is really to address a number of issues. Yes, child care is very important, and yes, the Metro proposal is part of what we're looking at, but we also need to discuss with him, to give him some sense of what Ontario wants with that, also the other issues, the

UI programs, for example, the training programs. How is that going to fit with us in Ontario? Is he going to work with us? There are a number of issues we need to discuss with this particular minister which will affect how we do things at our ministry.

1410

Mrs Ross: How much time? One minute, okay. The only thing I'll say then, just to wrap up, because I have a lot more questions on this issue, is that I hope you keep the dialogue going and that something is forthcoming from the federal government that will help us with our situation here. I'll get back to this in the next go-round.

Mr Colle: Just to follow up on something I raised earlier about the single parent who's at home with the disabled child, in a memo that she got from the Ontario government, I guess from your ministry, one of the paragraphs reads: "If you are on family benefits, the rate reduction will take effect on the October 31, 1995, cheque. Rates for people who are disabled or aged and their families will not be affected."

I'm just wondering: In this case the family is affected by the about \$300 cut in her cheque. Is this perhaps an oversight or is this a case that fell through the cracks or is this the policy, not to affect families with the cut? In this case, as I said, the mother and the individual who has Down syndrome are affected by the cut. They have less food. In fact, I just talked to the person on the phone and she has now gone to city hall to declare that she can't pay her taxes any more, that she can't keep up any more. I asked her about hydro. She said that there's no way, that she's asked; she pays her hydro herself. You referred to something about welfare recipients or people on family benefits can get their hydro paid for and she said it's something that's never been made—to her knowledge, she is not aware of that.

I'm just wondering here again. In this case my question is, is this the intent here? In other words, it says here very clearly that "their families will not be affected." This cut you made in October obviously affected this family in a very negative way. Is this intentional or unintentional, this cut that was given to this family?

Hon Mr Tsubouchi: First of all, I'll deal with the little issue, which is the hydro. It may not be a little issue to your constituent. I would hope that she's talked to her case worker about this because there is a program for hydro costs. When you contact her next—

Mr Colle: Yes, I'll tell to ask her case worker.

Hon Mr Tsubouchi: —will you just ask her to do that, please, because it would be interesting to find out whether or not something's gone wrong and she's not accessing what she needs to access.

Secondly, in terms of the memo, which I don't think I've seen—

Interjection.

Hon Mr Tsubouchi: Just a notice? Okay. What that really was saying, if I could interpret it, is that the client or the adult provider and their families would be the one, as opposed to the child and their families.

Mr Colle: It's obviously a family. There's the caregiver—the mother—and the son. That's a family.

Hon Mr Tsubouchi: But the mother is not disabled.

Mr Colle: But it says here the "families would not be

affected." This family is being affected. That's why I'm wondering whether this is the intention.

Hon Mr Tsubouchi: It may be a problem in terms of how that was particularly communicated by that memo more than anything else. The intention, of course, was that the provider was the disabled person, as opposed to someone who is one of their children who was disabled. I think it's a matter of communication with that.

Mr Colle: It seems like a form letter that went out to people—

Hon Mr Tsubouchi: Yes.

Mr Colle: —you need to know, circulation, cheque amount. It seems like a form letter. I would like to maybe get some idea of how many single providers who are caregivers in a home who have—again, I'm more concerned with disabled dependants—how many people in Ontario have been affected this way and whether some of them have been forced to perhaps put their dependant in an institution because they couldn't afford to stay at home any longer. Do you have any indication of that or some kind of data on that type of incident?

Ms Lang: I'm going to call on our ADM for social assistance, but I'm not sure that we have that level of detail on the individual cases.

Hon Mr Tsubouchi: While you're there, Kevin, perhaps you can comment on the hydro aspect as well, the utilities.

Mr Costante: Hydro costs are intended to be covered out of the basic allowance portion of the benefit, so that would come out of the non-shelter component.

Mr Colle: So there's no specific hydro allowance.

Mr Costante: No, it has to come out of the overall benefit.

Hon Mr Tsubouchi: I stand corrected, Mr Colle. Sorry.

Mr Colle: That's what I thought it was.

Mr Costante: On the other, I would have to check with our statistics unit if we could break down that number. I have a feeling it will be imperfect if we can do it, but I don't know offhand if we can. But we can check.

Mr Colle: So it is intentional; in other words, it's not a mistake here that this caregiver who has a disabled son or others who are in the same situation, even though their son or daughter, their dependant may be disabled, when that cut was made to family benefits, the fact that they were giving care to someone who was disabled wasn't taken into account.

Mr Costante: There are categories of eligibility within family benefits and one of those categories is sole-support parents. All sole-support parents' benefits were reduced by 21.6%, so that would include those individuals who have disabled children. On the other hand, the government, as the minister mentioned, made an intentional decision not to reduce the benefits paid to families through the handicapped children's benefit or the special services at home program to help families with specific disabled expenses.

Mr Colle: I'll ask you the same question that I asked the minister. Isn't this really going contrary to the government's policy of making people self-reliant, keeping them at home, if possible, not putting them into institutions? You want to give people the opportunity to take

care of their own family members. By cutting this family back, aren't you jeopardizing their ability to be self-reliant?

Mr Costante: Again, that is why the disability-related expenses were not reduced, exactly that, to keep them at home. The basic living expenses for all families in sole-support parent category, yes, were reduced.

Mr Colle: It is intentional then?

Mr Costante: That's the design of—

Mr Colle: How can that be rationalized in terms of the stated government policy of increasing self-reliance and not having people become a burden on the government? This doesn't make sense. How does it make sense?

I'm just trying to figure out in my own mind that if you want to keep people independent of government handouts—in other words, you don't want them to be put in institutions, you want them to possibly be taken care of by their own families—here's a situation where a caregiver may be spending 18 hours a day working with that child and all of a sudden you've cut them. This one individual now is to the point where she cannot make ends meet in her own living accommodation.

How does that come into play with this—I mean, to me it's an investment in pretty cheap labour. What are you paying that individual to do that which government would do at 10 times the cost? Do you know what I'm saying? Why wouldn't you look at reviewing that? I think it would be a money saver in the long run.

Hon Mr Tsubouchi: Just to put it in a context, as I understand it that's one of the reasons why, as Kevin said and I said before, the special services at home and handicapped children's benefits were not cut. They provide direct payments to families to assist them with the care of disabled children. Secondly, in the context of the work-fare program, that's one of the things we are taking into consideration, exactly what you're saying.

1420

Mr Colle: So there will be some consideration given in the workfare program to able-bodied people who are caregivers, no matter what their age is.

Hon Mr Tsubouchi: That's one of the things we're taking under consideration right now, and not just with respect to children, with respect to caregivers in general.

Mr Colle: Yes, it's that—

Hon Mr Tsubouchi: Yes, that's one of the aspects we're looking at right now. I hear what you're saying.

Mr Colle: But the point I've been trying to make is I think it's a wise investment to have a person—because you know what the costs are of bringing in, whether it be VON or support services, and what the costs are of putting someone in an institution when you've got a very stable situation at home where a caregiver is willing to stay at home and nurse these dependants in some cases.

I would say that's a worthwhile thing to review, because I think it will save you a lot of money in the long run. I think it's penny wise, pound foolish if you cut that person to the point where she now can no longer pay her property taxes and who knows what the other costs will be if she's forced out of that situation, which has been stabilized.

Do you want to do another one?

Mr Cleary: Okay. How much longer do we have?

The Vice-Chair: A few more minutes.

Mr Cleary: I want to talk a little bit about children's mental health. There have been persistent rumours that government is considering moving children's mental health services from Comsoc to Health. Is that a fact?

Hon Mr Tsubouchi: One of the things I think we're being encouraged to look at, if I can just talk generically for a second, is trying to rationalize services between ministries. I think we spoke about this before, earlier on. One of the problems is that if I'm delivering services in one area, and Health is and Education is, are we really effectively giving the best service and the most service to people out there or are we duplicating a lot of the administration and duplicating a lot of the overhead in doing so?

In a number of areas we're discussing with other ministries which should be the best ministry to provide these services and we have to rationalize these things. We've had too long a government with our silos and having duplication of costs over there. It's time to stop, and that's what we're doing. I can ask the deputy to elaborate on it.

Ms Lang: The short answer to your specific question is no, but I think it's important to describe the history of the children's mental health system in Ontario. Back in 1977 when the children's services division was created, children's mental health was in fact in the Ministry of Health. It was transferred to the Ministry of Community and Social Services with a whole bunch of other different kinds of programs, largely because there was a desire on the part of the government and the community that we look at an integrated approach to serving children in this province.

We are not at this point in time considering transferring the program back. As the minister indicated, what we are looking at is how we restructure all of the services out there to deal with children in a way that they focus their energies on those who are most in need and ensure that the resources go to those families and those children that can benefit from those services the most rather than moving the programs back and forth bureaucratically. It doesn't pay and it's not something we want to spend our time on.

Mr Cleary: Okay. I just wondered, what's the time frame when you write to the minister to get a reply back from him?

Hon Mr Tsubouchi: I guess it varies. I'm not really sure. I hope as soon as possible. Has there been a problem with some of the correspondence?

Mr Cleary: Yes. Do you think August 8 is a reasonable time?

Hon Mr Tsubouchi: I think it's a very long time. No, I don't think it's a reasonable time.

Mr Cleary: Well, I've got four cases here that have been dragging and we're not getting answers back. December 12: I guess that could be excusable. November 30, November 30, December 6—

Hon Mr Tsubouchi: Mr Cleary, if you provide that list to the deputy today, we will make sure that responses are received in a very timely manner.

Mr Cleary: The deputy will have it.

Hon Mr Tsubouchi: There's no excuse for a long

period of time to respond. Sometimes things fall through the cracks. You can understand too in our particular ministry we've had a huge amount of correspondence coming through. But yes, you're right. That's not an acceptable period of time to respond.

Mr Cleary: The other thing that I would like to ask that I find kind of amusing—maybe you want to comment on it and maybe you don't: "Men Given Disability Pensions for Pregnancy."

Hon Mr Tsubouchi: What's that?

Mr Bisson: Creating crisis it's called.

The Acting Chair (Mr Mike Colle): It's those sex-change operations, I guess. We can go on to another question while the minister is—did you have another question, Mr Cleary?

Hon Mr Tsubouchi: Mr Chairman, I'm really not sure what the issue here is, frankly.

The Acting Chair: It's a pregnant man who received—

Hon Mr Tsubouchi: A pregnant man?

The Acting Chair: That's what it says there: "Men Given Disability Pensions for Pregnancy."

Hon Mr Tsubouchi: Arnold Schwarzenegger, I guess.

Ms Lang: Kevin, do you have some light you can shed on this?

Mr Costante: Yes.

Hon Mr Tsubouchi: Do you have an answer for this, Kevin?

Mr Costante: I'm one of them. No.

Earlier this year we commissioned an internal study to see if we could get some insight into what was causing the increase in our disabled caseload, and out of the 144,000 cases there were 13 in that particular category and I guess the researcher found that several of them were males. We suspect that these were simply coding errors, that this is not a big issue. We're talking a handful of cases out of 144,000, so we suspect it's coding errors.

Hon Mr Tsubouchi: That was interesting, though.

Mr Joseph Cordiano (Lawrence): I have a question. I don't believe that we've covered this area—it's 244. I don't believe we've covered this. I'm presuming here that no one has delved into this area, so please stop me if this has been passed and I've missed it. Can you tell me how many of your staff in the ministry will be eliminated? How many will be receiving pink slips after the next budget, or before that?

Hon Mr Tsubouchi: I guess the short answer to that is no.

Mr Cordiano: No, not any, or no, you can't tell me how many?

Hon Mr Tsubouchi: You might consider that kind of a Japanese answer to you: no. I think right now we're still looking in terms of a lot of major programs, effects they may have. Certainly right now we're looking at the 1995-96 estimates. I think the more appropriate time for that would probably be next year.

Mr Cordiano: Well, it is 1996. This is 1995-96, so if you were planning to chop staff in the next month or so, yes, it could be for the future but you might announce it in 1996.

Hon Mr Tsubouchi: There's a number of major issues

that we have to look at and see how we're going to deal with them. At the forefront of all this is the workfare program. With workfare we are going to have to decide on the delivery service of workfare, what the roles will be of our particular staff, because there's going to be a huge change in direction. As opposed to processing cheques, they'll be looking at employment directions, so—

Mr Cordiano: I don't mean to interrupt. So what you're telling me is that the number of staff will be somewhat dependent on the form the workfare program will take, because there might be additional staff required to be hired to oversee workfare in some way.

Hon Mr Tsubouchi: Actually, what I'm saying is that the number of programs that we have—and not just workfare. I'm also saying that, looking ahead at the year, we have to see how we deal with our operating expenses in our ministry. Certainly that's not clear at this point.

Mr Cordiano: Okay. We obviously can't get any details out of you, Minister, for just about anything like that.

1430

Hon Mr Tsubouchi: I believe the deputy wants to add something here, Mr Cordiano.

Ms Lang: If I could, Mr Cordiano, comment on 1995-96, because those are numbers we do have and those are based on the estimates for 1995-96, we will be reducing and have reduced the complement of the ministry somewhere around 280 positions. I can outline for you what those details are based on the elimination of vacant positions, the cancellation of recruitment that we had under way. We have not renewed some classified contracts because of our estimates for 1995-96. We've had a great deal of surplus activity in our ministry already because we've had a long history of reducing employees through the downsizing and closure of facilities for the developmentally handicapped, and we've converted some positions to part-time from full-time.

The other thing we've done this year as part of our estimates is to eliminate a division within the ministry that was designed to deal with strategic directions, and consolidated the function of overall corporate policy into one of our existing divisions which reduced the staff complement by 30 positions.

Mr Cordiano: What about the transfer partners? Have you done any impact studies or do you have any idea in terms of how many jobs have been cut as a result of the cuts in transfer payments to transfer recipients?

Ms Lang: We do not have an overall analysis of that, no.

Mr Cordiano: So you have no sense of that. No monitoring whatsoever has been done by the ministry.

Hon Mr Tsubouchi: The monitoring we have been doing is we have been working with many of the agencies in order to make sure, if we're looking at the children's protection area, they carry through on their mandated requirements for the agencies, helping them to deal with their constraints. In some cases, with the CASS for example, we've accessed the contingency fund to assist them through the year and have worked with them in terms of trying to provide administrative efficiencies as well.

As the deputy says, we don't have overall numbers for

that, Mr Cordiano; however, we are working with a lot of the agencies to make sure that those functions are still being carried through.

Mr Cordiano: Let's move on to another subject real quickly. What preparations are you making in the event of a strike by OPSEU?

Hon Mr Tsubouchi: As you know, as part of any negotiation, there has to be an agreement between the bargaining agent and the government in terms of what, I suppose, the critical positions are. That's an agreement between both the union and the government.

Mr Cordiano: So you have not determined what are essential services which you might continue to provide and deem essential.

Hon Mr Tsubouchi: Well, that's done jointly with the union to come up with that particular list.

Mr Cordiano: Could you make that available to us in order to determine what services would be deemed essential and give the public some reassurance that in fact these services will be provided into the future regardless of the strike position?

Hon Mr Tsubouchi: That's actually the reason why the union and the government come together to have an agreement on the essential services that have to be provided. I think, Lynn, you can carry on from this point in time.

Ms Lynn MacDonald: Lynn MacDonald, assistant deputy minister for corporate services. I have a very detailed list here, if you're interested in it. It goes through all of the essential services, mandatory services and other priority services that the ministry can provide during a strike. All of these have been negotiated with the union.

Mr Cordiano: Could you table that with the clerk? It's not essential that you read it into the record, but please table that. We'd appreciate it.

Ms MacDonald: I'd be happy to.

The Acting Chair: You've got about two minutes.

Mr Cordiano: I would just simply say that we would want to know from the minister what the contingency plan is. Tabling that information will certainly help. I'd want to have a look at that and make sure that we have an understanding of what's essential and that there's no differentiation between what I might think is essential and the person out there who really would deem it to be an essential service, and you may come along and say that's not an essential service. So I think there has to be full disclosure with regard to that. That's my concern.

Hon Mr Tsubouchi: I think certainly as far as Ms MacDonald has indicated, there is a list right now of the essential services which have been agreed to between both the union and the government. The only other thing I can give you is an assurance that we want to make sure the essential services that our ministry does provide are carried through during any strike mandate.

Mr Pouliot: Not by way of criticism, but I listened intently to what the distinguished colleague opposite, Mr Baird, mentioned when he was in the process of lobbying the question over to attempt to make his minister look good—and why not? He focused on estimates and I take it that it was a discrepancy between our administration and the administration du jour, of the day, a discrepancy in the negative of some \$611 million, which is conse-

quential indeed. That is a lot of money.

There is some validity when we talk about estimates in the following parallel—and I'm not asking you to answer, because it's not apropos here: 725,000 jobs, a balanced budget, a 30% provincial income tax cut, 15% before June 8—for it is written in the manifesto, which is the year one—no cuts in health, which is the largest ministry, and no cuts in the classroom, ie, education, which is the second-largest ministry.

So when we have the chance in the years ahead, while we wish you well, to talk about your juggling, you will be reminded daily not only by us that it's a juggling act extraordinaire and we wish that you will do everything that you promised during the election and at the same time keep the lid on in terms of not dislocating the system—and we're asking that you take a little longer, as long as you have the determination and the direction, and certainly I will not, as a member, as an Ontarian, chastise you.

The question follows the line of thought of Mr Cordiano. Sometimes, when we go to estimates, although we have more time than question period, Mr Minister—and you know very well you can attest at first hand how interesting and challenging those exchanges can be, be it we're talking about the intricacies of Bill 26 or testing the knowledge of your high office, sir, or choosing not to answer the question, for there is no such thing as question and answer period, for some. It's like pulling teeth; it's quite difficult to either get at the truth—it's not that people will go to any limit, even lying, to protect their jobs. I don't feel that it's this way.

But again, sometimes you think that you're given the runaround, that people feel that if you ask questions to serve the common good, you have something up your sleeve, that you're not totally candid and forthcoming, that since you have a ticket to exercise this honourable profession, which is that of a politician, that it should be turned into a vulgar trade, that people have ulterior motives, that in our constitutional monarchy, we're there to oppose, to confront and to embarrass the minister of the day. Nothing, I can assure you—and I'm about to ask a few very simple questions—could be further from the truth.

How many people work in your ministry at present?

Hon Mr Tsubouchi: I'll ask Lynn MacDonald to come back.

Mr Pouliot: You I can trust, Madame, I can tell.

Ms MacDonald: Enchantée, monsieur.

Mr Pouliot: Plaisir.

Interjection: Flattery will get you nowhere.

Mr Pouliot: Don't you worry. I don't flatter.

Ms MacDonald: Just give me a moment to find the right page.

1440

Mr Pouliot: When I was at Transportation I knew—

Mr Bisson: He was very good at estimates. I'll tell you, he was very good.

Ms MacDonald: The current workforce of the ministry is 9,493, and for your information, sir, about 85% of the staff are involved in direct delivery of services.

Mr Bisson: It's actually a pretty lean operation.

Mr Pouliot: Madame, how would I reconcile this,

9,493? Were there 280 more the year before, because you did mention 280 people had been eliminated; positions, I take it, had been eliminated. So right now it's 9,493?

Ms MacDonald: That's correct.

Mr Pouliot: I'm addressing you, with respect, but the minister may see it as a—it's not a difficult question but a political question, and he may or may not—I don't know about those people any more. Surely, Minister, the government has said that it will eliminate 13,000 jobs. It's like this all over the province: "Those people, there were too many of them, and we had to do it à la businesslike, à la Bay Street, and we're going to slash and burn. Anyway, we're getting rid of 13,000 jobs."

Then, rumour has it—and these things can take on, around the coffee machine and the water fountain, extraordinary proportion. Why not? I feel that I'm in jeopardy if I'm an employee. It went as far as 27,000. We know that there is a timetable. We know that your colleague, the Minister of Finance, the house of benevolence, will table a budget in May. We haven't had a full-fledged budget since you took office—I know I'm going to pay for this—but we expect one in May. So now finally the date has been determined.

The slashing and burning, the reduction of the civil service, the attrition—

Mrs Ecker: Thirteen thousand jobs.

Mr Pouliot: You've said a minimum of 13,000, and then Management Board said it could be more. It is a very important element of your cost-cutting budget, of streamlining. You won't deny it, nobody can deny it. In fact, some will say it is at the very heart of the argument that you make. It is a catalyst, if not the catalyst, in terms of making all your other promises. They gravitate around that. But the main heart in the convention, will it be you; will it be you? But it's going to be some of us. That's what you have.

Surely at this time, Minister, you must have in your mind—and you are not an incompetent; we've watched you carefully. You are an intelligent person; you're also an educated person, Minister. Surely at this time you must know if not meticulously, *grosso modo*, you have to know, if not names, titles, who will be impacted, who's going, who's not going. I'm not trying to numb the patient to pull the tube, but surely in terms of honesty, 9,493 people—when we meet again next year, how many people are you going to have when I ask the same question?

Hon Mr Tsubouchi: First of all, going back to your preamble, I would never doubt your sincerity in your questioning. You're indicating sometimes people attribute the wrong motivations to your asking questions—

Mr Pouliot: You inspire sincerity, Minister, and I hope you can see the perspiration.

Hon Mr Tsubouchi: I have never doubted your sincerity. With your wonderful sense of humour, too, it certainly is refreshing.

Mr Baird: What sense of humour?

Hon Mr Tsubouchi: He's got a good sense of humour. Anyway, I think you have to appreciate any type of guessing at this point in time is counter-productive, that certainly we'll be looking to see any type of—and not just on my ministry, but I think overall government,

we will look at this in a very judicious way, in a logical way too.

We have a mandate in our ministry to provide certain core services: the developmentally handicapped children need a protection; deliver the social assistance system. We have to continue to do that. I can only tell you right now, for example, if you look in the FBA area in terms of our social workers—you're probably aware of this—that comparatively to the municipal workers who administer the GWA, who have a caseload of around, I guess, 120, 125 per social worker, our FBA deliverers, our people, have caseloads in excess of 400 per person. So the question you have to ask yourself is, can we still deliver what we need to do, and how are we going to do that? I think that will give you the context, but certainly I'm not in a position right now to give you any numbers.

Mr Pouliot: Thank you. One last question. My colleague has some relevant questions as well. Madam, I couldn't help but to be intrigued when you mentioned during this transition that you would be modernizing. You didn't say that verbatim, but you talked about new gizmos, new gadgets, better technology to better serve, to better deliver the mandate. You said it with a certain aplomb, with a certain security, and I could almost read a timetable: You knew where they were going and what they would deliver.

Would you kindly provide us with the definition: what kind of technology, when they are going to be plugged in, when they are going to reach the marketplace, what they will do and how much they will cost, so that we can share in the excitement as you embark into the new technology.

The Vice-Chair: Excuse me, Mr Pouliot. Can you move forward a little. We can't hear your very eloquent voice.

Hon Mr Tsubouchi: See, there's another compliment for you.

Mr Bisson: Here comes the answer.

Mr Pouliot: No advice, Minister; just send money.

Ms Lang: I think, Mr Pouliot, I'm going to ask Kevin to give you some of the specifics in terms of the timetable, but I can assure you that we do have a very clear timetable. I also can assure you that this is an initiative that was started by your government and is in fact on track, on target, and we do intend to have technology available to front-line workers no later than the end of the fiscal year in 1997, as was the original plan. We are also very actively engaged in discussions with vendors at the moment about replacing the entire mainframe system we have, which runs and supports the social assistance program in the province. So yes, we do have a very clear timetable; yes, we do have a very specific plan; and yes, we do have a team of people who are dedicated to getting that thing—

Mr Bisson: And the NDP made you do it.

Mr Pouliot: And, yes, I will get that in detail so I can pass it along to Tony Silipo.

Ms Lang: I think he probably has the details himself, but certainly we can—

Interjections.

Ms MacDonald: Perhaps I could start by indicating

that the current computer systems that the ministry has are two: the CIMS system, which is the system which operates our family benefits allowance program, and MAIN, which is the system which operates for Metro for GA. It dates from 1970, mid-1974, in there, and it is a mainframe system which is prone to breaking down more often than any of us would care to—

Mr Pouliot: With respect, this will be tabled. Your time is far too valuable to take too much of it, Madam.

Ms MacDonald: I thought it important that you have the background before Kevin speaks to the timetables specifically for the new system as it rolls out.

Mr Pouliot: Thank you.

Mr Costante: I think the deputy covered most of the high points. We do intend to have the technology in all our municipal and provincial offices by the end of next fiscal year. We would do the necessary renovations to the offices—the electrical, the desks, that sort of thing—as well as provide them with a personal computer and the printers and that sort of thing. So that all will be done by the end of next year.

The other big component is the replacement of the mainframe. As Lynn said, it's old, it's antiquated, and we are in an RFP process right now. Because we're in that, I don't want to say too much about that process, but the successful vendor, we would hope, would essentially write us a new software program that would provide the workers with more instantaneous data, and the policy-makers, the government, with better overall information so we can answer any of the questions you ask me today. We would expect that this work would be done over about a two-year time period.

1450

Mr Pouliot: That will do the job. Just grosso modo, being anecdotal, how many jobs will that mean? Surely those things are capable; they're so up to date.

Mr Costante: I'm sorry. How many jobs are involved in the—

Mr Pouliot: How many jobs would it replace? Approximately. It doesn't have to be precise; it doesn't have to be exact.

Mr Costante: How many jobs would it replace? Well, there are two processes in terms of replacing the mainframe. First of all, we have to have the design for the new welfare program and what that's going to do. I think we're in the process of piloting it, which will give us a sense as to whether there are any efficiencies that can be done. I really can't say at this point.

Mr Bisson: Back to the minister, but don't leave, please; there are some questions coming your way. One of the comments that you made in your brief here, and I just want to go through it, just read it here, is, "What we're doing, Mr Chairman, is to make sure that we spend the taxpayer dollars on individuals and not necessarily on agencies that support that individual," to make the system better and to ensure the system will be there, etc. You go on to say, in short, we will have to find "the most effective ways to provide support for people truly in need." Is there a definition of who will be truly in need?

Hon Mr Tsubouchi: Mr Bisson, that's one of the challenges that our advisory group is facing right now in terms of what do they really need and what the kind of

structure in core services do they really want. That's where our consultation is taking place right now. These are not decisions that are being made by the minister in isolation. These are decisions that are made in consultation with the caregivers and the organizations that deal with them.

Mr Bisson: But I read this and what it basically means is that you will tighten eligibility even further than you have tightened it already.

Hon Mr Tsubouchi: No, actually, to put it in the context, rather than spending it on organizations but spending it on individuals, really what we're referring to is making sure that organizations aren't spending too much money on administration and overhead, and are actually providing the actual dollars directly to people who really need them.

Mr Bisson: I think we all sort of agree in the general comment you're making, but I would want to say on behalf of some of the agencies that a lot of agencies quite frankly have been running with flat-line budgets, as you well know, for a heck of a long time. They've cut the administration a whole bunch. I'm visiting agencies now in my community; I'm sure your government members are doing the same. We're finding agencies who are running an entire program of \$1 million, \$1.5 billion with one executive director and a part-time administration person. I think that's pretty damn efficient. I guess what I'm getting at here is that when you're talking about directing the benefits to the people truly in need, I wonder if that's a signal that you plan on tightening up even further the eligibility requirements for a number of programs that are delivered under your ministry even further than they are now.

Hon Mr Tsubouchi: What I can say to that once again is that we have advisory committees not just in the area of developmental services but also in the children in need of protection area. Janet Ecker is working with a number of people in the child care area. These are the challenges that we're putting to the caregivers right now: What are their priorities? I think that's the challenge right now, because frankly there are a number of programs that, because we're running them, perhaps Health is running a similar one, Education is running another one, where we have not just duplication but triplication. This is a challenge that you had in your government too. It's been built up, and I'm not pointing my finger at you, because this is a historical buildup of programs that have no real sense to them and yet we've all inherited them.

Mr Bisson: Here's where I'm coming from. When language like that is being used and you're talking about directing it to the people "truly in need," I think of people, for example, of the Timmins Native Friendship Centre in my community who have had their budgets cut in a number of ways, dealing with what their mandate is in regards to being able to deal with their community. If there's anybody in my community I would say needs a whole bunch of support and it means to say yes, we have to spend some bucks at it in order to try to help that community, it's the native community. I see that and I get a little bit perturbed, to be blunt, about saying people "truly in need." Those people have been cut, and if anybody needed any assistance, it was them. Anyway, on

to other things.

I want to get on to children's services around the welfare issue here. One of the big to-dos was about cutting off the benefits or tightening the eligibility requirements for 16- and 17-year-olds who are on welfare. What the new requirement now says—and I don't have the quote in front of me; I'm just going by memory here. Now what you're doing is that the only way you can collect welfare if you're 16 or 17 years old is that you will have to be under the supervision of an adult. I'm wondering who these adults are you're referring to who are actually doing the supervising. Who are these people?

Interjection.

Mr Bisson: I figured that would make you choke. I'd be worried too.

Hon Mr Tsubouchi: Thanks for your help. I think there are a number of matters. Perhaps it could be a relative. There are a number of adult-supervised—thank you very much.

Mr Bisson: As you're sipping on the water, I just want to clarify this here. You've already tightened the eligibility requirement; that has been done. So those 16- and 17-year-olds that are out there now, you're saying they have to be under the supervision of an adult. There's a series of questions I want to go through. First of all, who are these people that are doing the supervising? Are there any set criteria within the ministry or is it anybody who wants to come forward? How does it work?

Hon Mr Tsubouchi: I would suggest that it would be somebody who would have to be approved through the local agency, would it not? The area office would have input into that, Mr Bisson.

Mr Bisson: Is there a standard? Is there some kind of a screening process or anything that goes on in regard to the adult being chosen?

Hon Mr Tsubouchi: For the details, I'll just pass it on to Kevin.

Mr Costante: The origins of this policy are that this was a best practice that many municipalities had used and it had been brought forward to the ministry on that basis. They found in practice over the last number of years in dealing with the 16- and 17-year-old issue that it was helpful if the youth maintained some contact with a responsible adult. We've placed that responsibility with our municipal welfare administrators. So this would be other family members perhaps or some sort of family friend in the community.

Mr Bisson: I just want to point out a concern here. We know cases of sexual assault and sexual abuse are normally within a family context. The question I have is, if my daughter who is 17 years old or my son decides they want to leave home and they're not able to stay with us any more, and you're going to put them under the charge of an adult, what kind of assurances do I have as a parent that the person who's going to have that charge is somebody the ministry has some comfort level in, has screened, checked, has some sort of a standard set? Is there anything like that in place in order to make sure that these children, because they're only 17 years old, are actually under the supervision of somebody we can trust?

Mr Costante: Again, that's what we ask the municipal

welfare administrators, to make sure that—

Mr Bisson: So there's no policy?

Mr Costante: The policy is that this be a responsible adult. Are you asking whether we demand formal screening for each one?

Mr Bisson: Well, here's a specific. My daughter, 17 years old, walks out of the house and says, "I don't want to live with Dad any more." Under the old system, the only way that could happen and she'd get welfare was that I had to say as a parent, "I'm not willing to take you back." That was the only time that you would pay benefits. You're now saying if that happens, that child will have to be under the care of a supervising adult. The question I have is, who picks the supervising adult and what standards are set in order to make sure that adult is somebody who can be entrusted with the care of that child?

Mr Costante: Again, that responsibility is placed with the municipal welfare administrator. I think the key responsibility here is that the individual be in school.

Mr Bisson: Nobody argues that; the question is about the adult. How do we select that adult who's going to be responsible for making sure that child is well supervised?

Mr Costante: I think the selection is basically done by the child themselves. It's often another family member: a grandparent, an aunt or an uncle or that sort of thing. It's done in conjunction with the municipal welfare administrator. I think part of the issue with what's happening is that there's some of contact. It doesn't mean there has to be in-custody type supervision. I don't think that's what's being suggested here. What's being suggested is that there be regular contact with an adult to provide some guidance and some advice to this young person.

Mr Bisson: So there isn't any standard that's set by the province to tell the minister, or the municipality that's administering GWA in this case, what the standard should be for that adult.

1500

Mr Costante: Are you looking for a screening—

Mr Bisson: Sure. Is there a screening process? Is there a standard? What assurances do we have? I'm asking, is there any policy?

Mr Costante: We've not set a screening policy, if that's what your question is.

Mr Bisson: I would suggest it be looked at.

Moving on again to the children's aid societies, children's aid societies are undergoing and will be undergoing more cuts when it comes to their budgets. There's a couple of series of questions, and I'm not sure if you're the one who needs to answer them. I'll direct it to the minister. Are you able to track within your ministry how many people have been laid off at the children's aid societies at this point? Do you have a way of tracking that?

Hon Mr Tsubouchi: Did we not deal with that this morning? I believe that was asked before, but perhaps I could ask Lucille Roch to comment.

Mr Bisson: Was it asked before?

Ms Lang: Your colleague Mr Cooke asked that question this morning.

Mr Bisson: Okay. That's fine.

Ms Lang: We indicated we would table information.

Mr Bisson: Okay. I didn't realize it was asked. I know

it was one of the questions we were interested in. I'll skip on that one if it's been asked.

One of the other things that you talked about, and quite frankly I support you on this one, you're talking about integrating social services, both social services, and I take it what you're saying is the services that are delivered to the child. The idea is that it's not as confusing for me, the parent, or the child who's trying to access services. Quite frankly, I support you in that direction. I haven't got a problem with that.

I guess the problem I have is I'm trying to figure out what model you're going to do that in. We attempted, and we put in place, as you well know, in government, our long-term care model, which was basically a multi-service agency model. If the Tory government is not in support of a multiservice agency, do you have any idea how you're going to be able to achieve your goal of being able to integrate those services so they're a little bit easier to access for the clients?

Hon Mr Tsubouchi: We spoke about this briefly, I believe. One of the members from our caucus, Lillian Ross, was speaking about some of the efforts out there in the community right now which could be possible models which we could learn from in terms of integrating children's services. The two areas she had spoken about were Kent and London. London is a very good model. I've seen that first hand. I've talked to the people first hand. The reason why it's a good model to look at is it has support not only from the agencies in the area, from the municipality, their municipal officials, but also from all four MPPs in the area—our three from our Conservative caucus and Marion Boyd as well.

Mr Bisson: We used to have three there.

Hon Mr Tsubouchi: The reason why it really is an interesting model is it's intended to take the confusion out of the system, and I think you're right.

Mr Bisson: I think we all agree, but I guess the question I'm asking is, do you see it as a merger of existing public institutions or public agencies, or do you see that the private sector is going to have a role to play in this when it comes to service delivery? I guess that's where I'm going. Do you see it as a merger or do you see it as, "We're going to farm out these services to private sector entities"?

Hon Mr Tsubouchi: I see this a little bit differently than you probably in terms of the terms you're using. I look at it more in terms of the community making choices. I think that's why the London model is successful. We're working right now with the umbrella groups in this area, whether it's the Ontario CAS, the Ontario children's mental health associations—there are a number of them—to help us form whatever the structure is intended to be in our core services. What we're going to be looking for, I hope, is some direction from the communities in terms of how they want to integrate the children's services locally. There are a number of differences between different communities. That's why the London model is so successful, because the community has bought into it, and all aspects of the community.

Mr Bisson: So what you're saying then is you're going to set some direction but you're going to allow the communities to try to determine what's best for them.

Will there be a role for the private sector in that?

Hon Mr Tsubouchi: That's a good question. If you look at what they've done with London—I suggest you talk to Marion about it too, directly, because she's been very involved with that—they've been able to work within the framework of the existing agencies that they have there to find out what they want to set as their priorities in that area. That's why it's successful. It's community decisions based on the community agencies out there.

That's one of the things we're trying to do right now. In order for us to make a better system, which is what our intention is, to take out the confusion—and there's a lot of it out there because of the number of programs and how to get access to them etc, etc—it's necessary for us to really work with the communities to get a better system. That's what we're trying to do.

Mr Bisson: You're not going to get to the other part, so let's go to the next question. One of the things you said in your presentation which I thought was interesting is that you talked about the Common Sense Revolution. Again, I wrote this down. I think it's a direct quote out of your document. You say that you have an obligation to children, whether that support is in the classroom or in nutrition programs. In light of all the cuts that have taken place to agencies that support the needs of children, and welfare as far as the 22% cut, do you think there are children in Ontario who have been put at risk as a result of those cuts?

Hon Mr Tsubouchi: I'll tell you what I do think, that we're supporting the CASs with their mandated services. We are working with them. I understand some of them have had some trouble, but we've worked with them through the ministry. We've had access to contingency funds to carry them through, and worked with them to make sure their administration's working properly. We believe we're heading in the right direction.

If in fact you're dealing with an area such as children's nutrition, for example, I think one of the things we have to rationalize there—and under the leadership of Julia Munro, who's working out of the Premier's office, they're looking at a breakfast program. The difficulty we've had, we had a number of ministries getting together, working in these different areas to find out all the programs which they can—

Mr Bisson: Let me bring—

Hon Mr Tsubouchi: But you wanted to know about this.

Mr Bisson: Let me bring you back to the question, though. The question is—it's a yes or no answer, quite frankly—you've done the 22% cut on GWA and FBA. Those cuts have taken place. That means to say directly that families have less money than they had before, plus the other stuff that you're up to. Do you think there are now children at risk in this province because of those cuts? Yes or no?

Hon Mr Tsubouchi: I'm going to say to you right now that when we reduced the rates of benefits—we reduced them to 10% above the average of the other provinces; that's above the other provinces; we didn't reduced them to the average of the other provinces—we enabled people to earn back the difference between the old and new rates. So there's a mechanism in place right

now to give people the ability to earn back the difference between the old and new rates. We also have the children's organizations out there which we fund to a substantial amount.

Mr Bisson: The point is that you know and I know as well, because you're talking to the same people we are—I go into St James Town and I talk to people who are on welfare, single mothers on welfare or families on welfare, and talk to their kids, and what I'm being told is that quite frankly they're out on the street in bigger numbers now because there's less availability in the home for other things because of the lack of money. In a lot of cases, the parents are not able to find work, for all kinds of reasons, everything from an inability to be able to work because of a physical disability or because of a psychological disability or whatever it might be. Those kids are at risk.

Hon Mr Tsubouchi: But if those parents are disabled, their benefits were not cut, if they're on FBA.

Mr Bisson: There are people who are on GWA, as you well know, and there are people on the FBA benefits, who are there, who are not able to get a job for all kinds of reasons.

Hon Mr Tsubouchi: But you brought the disabled into your argument.

Mr Bisson: What I'm saying is there are a lot of people in the system now, there are a lot of people out there who are unable to find work—that's just the reality of our economy—and they happen to be on welfare. In competing for jobs, they're not able to compete at the same levels as other people for all kinds of reasons, and I'm not going to get into that debate here. The point is, their kids are affected. I'm asking you in all sincerity, as the minister responsible for all of those children, do you think your decisions have put those kids at risk?

Hon Mr Tsubouchi: And what I'm saying to you is that there are programs in place to deal with children in need of protection. There's a program in place to allow people to earn back the difference between the old and new rates.

Mr Bisson: There's no earning back here. That's the problem.

Hon Mr Tsubouchi: There are a substantial number of people who have accessed the STEP program.

Mr Bisson: I'm a single mother. I've got one or two children at home, or one child at home. I go from \$1,100 or \$1,200 a month, whatever it used to be before, down to \$900. That means to say there is \$300 less for tuna. That's how much you lose. That cut—do you feel that is putting children at risk? Do you think there's an adverse effect? That's what I'm asking you. Do you think that has an adverse effect on the ability of the family to provide for itself?

Hon Mr Tsubouchi: And what I'm answering to you is that when we effected the cut in social assistance rates, we reduced them to 10% above the average of the other provinces. We didn't go below the average, we didn't go to the average, we are 10% above the average. Plus we gave a mechanism in there—

Mr Bisson: So you're saying the cuts would not adversely affect—

Hon Mr Tsubouchi: —for earning back the difference

between the old and new rates.

The Vice-Chair: One person answering at a time. Please let the minister finish and then you can ask your question when he's finished.

Mr Bisson: Thank you. Was that the answer?

Hon Mr Tsubouchi: That was the answer.

Mr Bisson: I'll do the question again. You cut people by \$300 a month, a single family with one child, and you're telling me that has no adverse effect on that child or on that mother.

Hon Mr Tsubouchi: What I'm saying to you is the same thing as I answered before. It's the same answer I'm going to give you again. When we reduced the rates, it was to 10% above the average of the other provinces.

Mr Bisson: I'm trying to be friendly here. I'm on your side.

Hon Mr Tsubouchi: And so am I.

Mr Bisson: You're saying it has no adverse effect. In effect that's what you're telling me.

Hon Mr Tsubouchi: I'm not saying it's not difficult out there for some people.

Mr Pouliot: Either he's lying or he's dishonest.

The Vice-Chair: Order.

Hon Mr Tsubouchi: However, what I am saying is that we have put in place mechanisms for people to earn back the difference.

The Vice-Chair: We will now take, I'm suggesting, unless anyone objects, a 15-minute break and we'll resume our deliberations at 3:30.

The committee recessed from 1510 to 1530.

The Acting Chair (Mr Michael A. Brown): The standing committee will return to order. We will commence with questions from the government party.

Mrs Ross: Mr Minister, I'd like to focus my attention on child care, where I left off last time. I feel I can speak with some sort of expertise as a consumer of child care. I have two girls who are much older than I'd like to admit they are at this time, but when my children were young, I was put in a position a lot of women are in that I had to go out to work. I had to find day care for my children, one who was in junior kindergarten and one who was at the child care stage.

I searched and searched for a licensed day care centre because I thought that that was the way to go and then I was a little unhappy with what I saw out there, I guess because you're attached to your child and you don't want to leave them in an institution. That was my feeling at the time.

So then I began a process of searching for someone, informal day care in my home. I was very, very fortunate to find a woman, a grandmotherly type who came into my home and was able to take my oldest daughter to JK and stay with my youngest daughter for the day. I was one of the very fortunate people.

I think people choose day cares for a lot of different reasons. I chose home day care because it was comfortable for me, it was convenient for me. I didn't need to worry about dragging my kids in the winter months especially, spending half an hour clothing them to get them out the door and that sort of thing. So for me it was convenient, it was easy. It was cost-effective as well. It was less expensive than institutional care and it suited my

needs.

I think people choose home day care also in some instances because of their cultural background. They might want someone who speaks a different language than English to look after their children and also they have different characteristics in how they raise their children. So I think people choose day care for a lot of different reasons. Some people like family to look after day care. I would have preferred that, but my mother at the time was a single parent and was working so that opportunity wasn't available for me. So I used that system of day care for some time.

Then when my day care lady couldn't work for me any more, I had to go to institutionalized day care. I found a nice day care centre, a private day care centre. I don't even know if they had non-profit day care centres back then. This is 18 years ago, so I don't know, but—

Hon Mr Tsubouchi: You're telling your age.

Mrs Ross: Yes, I know. But anyway I found a nice institutionalized day care centre and I put my daughter in that day care and was fortunate to find a wonderful teacher who sort of took her under her wing.

Believe it or not, it's a traumatic experience for a parent to leave their child, whether it's informal or formal. I have an understanding of how difficult finding good day care is. So from that point of view I say I speak with a little bit of experience.

I would like to know if you can tell me how much money we spend on child care in Ontario. I'm sorry, I read this, but I'm not good at financial numbers and I prefer to hear it from you because I don't know what I'm looking at here.

Hon Mr Tsubouchi: I think what I'm going to do, to give us some detail in the area as well, I'm going to ask Lucille Roch to come up here and assist us in this.

Ms Roch: For 1995-96 we estimate that we'll spend up to \$549 million on child care. I can break that down for you if you want.

Mrs Ross: Yes, if you could tell how much money is spent on institutionalized day care as opposed to informal. Can you do that? When I say "informal" I'm talking about a home where there may be—and I think it's five children is allowed, is that correct?

Ms Roch: We have both centre-based care and we also have licensed child care in homes. The homes themselves aren't individually licensed but an agency is licensed and the caregivers in those homes work as independent workers but they're affiliated with an agency, so there is a breakdown there.

We have approximately 3,000 child care centres scattered across the province and we have about 141 agencies, and that includes about 84 homes.

Mrs Ross: Okay. I don't know who to address a question to now. I know that institutionalized day care centres have to follow the guidelines through the Day Nurseries Act. Do home day care have to do that as well?

Ms Roch: As you said yourself, they can't provide care for more than five children in addition to their own; that's part of the Day Nurseries Act. They have to meet certain standards in terms of the health and safety standards as well as other centre-based care.

Mrs Ross: Okay. Can you tell me what the ratio is

from child to teacher in institutionalized day care?

Ms Roch: That depends on the age of the child.

Mrs Ross: Let's say a three-year-old in a home situation where it's five to one, and then in institutionalized day care, how many? What would the ratio be?

Ms Roch: In a home they can only look after five children and so it's three children under three and it's two children under two, to the one home care giver. In a centre, I believe for three-year-olds—

Mr Ron Bakker: I'm Ron Bakker, I'm director of the branch. I can run through the ratios if you want, very quickly.

Mrs Ross: Yes, please.

Mr Bakker: In Ontario we do our ratios—well, every province does them slightly differently but we combine our ratios with group size so, for example, for those children under 18 months, ratios are from 3 to 10, or 3 to 10 staff-to-child ratio, maximum group size of 10. For one-and-a-half to two-year-olds, staff-to-child ratio is one to five, group size is 15.

Mrs Ross: I'm sorry, what was that?

Mr Bakker: For age group one and a half to two years, staff-to-child ratio one to five, group size of 15 maximum. For children two and a half to five years, staff-to-child ratio one to eight, maximum group size of 16. For children over five, staff-to-child ratio 1 to 12, maximum group size of 24, and for children six years of age and over, staff-child ratio 1 to 15, group size maximum of 30.

1540

Mrs Ross: Okay. In a private home setting, those types of situations, they're licensed through the Day Nurseries Act. I'm talking about someone who's looking after five children. How does the Day Nurseries Act ensure that they follow the guidelines? Can you tell me, are they inspected on a regular basis; what would the basis be?

Mr Bakker: Are you talking about the home child care situation?

Mrs Ross: Yes.

Mr Bakker: In the home child care situation, the licence is actually provided to an agency. We don't license the individual providers. In those cases—

Interruption.

Mr Bakker: Anyway, the licence—

Mr Pouliot: Does that have to happen every day?

The Acting Chair: Just continue.

Mr Bakker: I'll try and talk louder. The licence is provided to the agency and they, in turn, supervise the providers. There are requirements under the legislation that they have to provide inspections of the agencies, I think it's every three months.

Mrs Ross: Every three months?

Mr Bakker: Every three months.

Mrs Ross: Really? We must have a huge bureaucracy to look after that.

Mr Bakker: Actually one of the things that we're trying to look at in the review is to see how we can make that more efficient. That's one of the things we're discussing with the working group that Mrs Ecker has set up to look and see how we might be able to streamline some of that and look at different models, but again we

haven't come to any conclusions.

Mrs Ross: The opposition is always talking to us about consultation and the fact that we don't consult with people. I just wanted to say that I have visited numerous day care centres in my riding. I've spoken with a lot of a day care workers in my riding. As a matter of fact, one of the people I just recently met with happened to be the teacher my daughter had when I first put her into day care. She's now or was working for the provincial government as an inspector of day cares. So she came to see me. She's now working in a different field, but she came to see me to talk about child care.

A lot of the discussions I had with respect to non-profit as opposed to private day care, I'm talking to the people who have gone through the ECE course at college and the impression that I was given was that they would not work for a private day care centre because they weren't as good as the non-profit.

Interruption.

Mrs Ross: Can you hear me?

Mr Bisson: They never had music for us.

Interjections.

The Acting Chair: All right. I think things have settled down to the point that maybe we can continue.

Hon Mr Tsubouchi: Do you think so, Mr Chair?

Ms Ross, I have no idea what you were saying. I couldn't hear you.

Mrs Ross: Okay.

The Acting Chair: Order.

Mrs Ross: We'll try again.

Interjections.

Mrs Ross: In some of my discussions with the ECE workers in day care centres—I'm talking about non-profit day care centres now—they said to me that they would never want to work in a private day care centre and I asked them: "Why not? What's the difference?" I said: "You're being trained to care for children. Why would it make any difference where you worked if your job was to care for children?" I couldn't get an answer other than, "I just wouldn't do it."

I have a suspicion that probably it has something to do with wage subsidies. I'd just like to have an idea from you why you think I would get that type of reaction from an ECE graduate.

Mr Bisson: People would like to be paid.

Hon Mr Tsubouchi: Ms Ross, it depends once again on the timing of the question. Was it just recently or was it before or after the fall statement?

Mrs Ross: You know, I don't know—

Hon Mr Tsubouchi: It was likely before.

Mrs Ross: —because I've met with them on a regular basis, so it's hard for me to tell you.

Hon Mr Tsubouchi: I think likely before because what had happened, even though for, I guess, a number of months prior to the fall statement, I had been indicating that one of the things that we weren't looking at at that time was wage subsidies.

Mrs Ross: Right.

Hon Mr Tsubouchi: Yet, the greatest area of concern among people working in the day care area was with the wage subsidies, even though I wasn't indicating they weren't on the table at the time. So that could have been

a great deal of it, I would suspect.

I think that's one of the reasons why we want to make sure that we do this child care review properly, and it's very important for us to communicate and consult with all sides of the issue to make sure we provide—and as you know, our whole aim here is to get a child care system that provides more choice and more affordability and more access. So I think that's really what's important to all of us. That could have been what it was, I would suspect.

Many of the private, commercial child cares don't get the wage subsidies as well and that may have been a concern. I think it was—what—1987?

Ms Lang: It was in 1987 where the down payment—

Hon Mr Tsubouchi: Yes. At one point in time, if you were in a commercial child care, you had access to wage subsidies, but it was—

Mr Bakker: For part of it.

Hon Mr Tsubouchi: Yes, for part of it. That was about 1987 or around there?

Mr Bakker: The original program was established in 1987 and it becomes quite complicated because then there became different components to the programs. Remember it was called DOGs or direct operating grants, the wage enhancement grant and the provider enhancement grant. Really, the bottom line for the for-profits is that if a for-profit centre was in existence before 1987, it was able to receive 50% of the direct operating grant, which was only part of what the non-profits were getting.

Hon Mr Tsubouchi: I think part of what Ms Ross is getting at is that in terms of what we're looking at in the child care review is trying to level the playing field as well between both commercial and the non-profit organizations.

Ms Ross: Right.

Hon Mr Tsubouchi: Certainly we looked at that in terms of stopping the conversion process that really didn't produce one new child care space, and that's also part of the review.

Mrs Ross: Okay. Prior to June 8, it seemed that the previous government was changing all the profit centres into non-profits. Your ministry cancelled the conversion process and I'd like to know, I guess, first of all, how much money would have been spent on the conversion process? I guess that's what I want to know.

Hon Mr Tsubouchi: First of all, the conversion initiative was announced in December of 1991 by the former government and it was a \$75-million project, which was ultimately approved at \$72.4 million by the treasury board in 1992. The objective of the initiative was to convert half at the time of the commercial child care sector, approximately around 15,000 spaces, to non-profit corporate status. That's what the plan was originally intended to do.

When we cancelled the initiative because we felt that it had cost the taxpayers millions of dollars in money and did not create one single new child care space, we estimate that will save around \$20 million by March of 1997. The other reason of course is we believe that this will enhance the range of quality child care spaces and choices for parents in Ontario.

Ending the initiative and removing the restrictions on

the child care fee subsidies in private child care programs will also begin to restore the balance between the non-profit and private operators.

1550

Mrs Ross: When the grants were given, was there any opportunity, do you know, for private day cares to apply for these grants? Or was it strictly for non-profit day care centres? I'm talking about the wage enhancement.

Hon Mr Tsubouchi: The wage enhancement? I think there's a bit of history here. Ron, did you want to deal with that?

Mr Bakker: You're talking of getting back to the wage subsidy and how it was broken down. It does become somewhat complex because what's called a wage subsidy really had three components to it, and subsequently they were rolled into one.

The direct operating grants started in 1987, and it was really the first step in the government of the day's plan to address salaries. Who was eligible to apply were municipalities and colleges, non-profit centres and, as I said earlier, those for-profit centres that were in existence before 1987 got 50% of that. Then in 1991 the wage enhancement grant was introduced. Municipalities and colleges and non-profits were eligible for that part of the grant, but for-profits were not eligible.

The provider enhancement grant, which is really applied to the providers and home child care agencies, was also introduced in 1991 and the providers who were under the auspices of municipalities and colleges and non-profit agencies were eligible but those that were under the auspice of for-profit agencies were not.

Mrs Ross: It's interesting, isn't it, how when you start looking at something that you think is really quite simple, it gets to be quite complicated. I'm a little confused about all of these grants. Were capital dollars as well tied into non-profit centres? Is that what some of these grants are?

Mr Bakker: No. This has nothing to do with capital at all, no.

Ms Lang: Perhaps, though, Ron, you can talk about the program development fund that we used to have in place as well.

Mr Bakker: Yes. There was also a program development fund put in place. It was really put in place as a startup fund for non-profit agencies to support expansion of the non-profit sector, and it was used for startup funding and also for some minor capital. But again that was only available to the non-profit sector.

Mrs Ross: So if it was used for startup funding, that indicates to me that it's a new day care centre.

Mr Bakker: A lot of it was. Some of it may have been used for some non-profits that were not necessarily new. If they ran into some financial difficulty, it was also used for those purposes. But primarily it was used mostly for startup funding.

Mrs Ross: In the financial accounting of these day care centres, can you tell me if any of those day care centres, at the end of the year, may have found that they were in a deficit position? What would have happened to bring them back on track? I guess I'm asking, did we supply funds to centres that were losing money?

Ms Roch: I think in some situations we probably did.

One of the sources of that was the program development fund.

Mrs Ross: Oh, so that's what that fund was for.

Ms Roch: It was used for a lot of things.

Mrs Ross: I see. So currently the money we spend is \$549 million on day care.

Ms Roch: Approximately \$375 million is for fee subsidies, and about \$135 million is for wage subsidies.

Mrs Ross: Minister Tsubouchi, I know Janet Ecker is reviewing day care and child care and how we supply child care as we go into the future, knowing how important it is to families, to women and to single mothers as well. I'd like to know what really is the aim of the review, how we are progressing with the review and whether we have any indication as to what direction it's headed in.

Hon Mr Tsubouchi: That's quite a good question actually. In our undertaking of this review of the child care program, our primary aim is to ensure that we have a quality child care system that parents and taxpayers can afford. Some of the issues that we're looking at in dealing with child care review are parental choices, quality of services, affordability of course, and restoring the balance between private and non-profit sectors.

As you know, the review is being led by Janet Ecker, my parliamentary assistant. She's meeting with stakeholders and parents and other community groups across the province, seeking input on the directions and priorities that we want to take in the child care area. She has also established a working group, and the working group is providing Ms Ecker with ongoing advice during the review process.

A number of other directions and expenditure reduction decisions were announced, but what we're really doing right now is trying to provide for a better child care system, more affordable and more choice. I think that's what we're trying to do right now, and that's very important in terms of the way we're looking at this, because we're doing a lot of consultation again. I'm sure the opposition are not going to criticize us for doing consultations with the public, and that's exactly what we're doing. We're trying to find the best solutions for Ontario right now.

What we have right now is a fairly unsustainable system. The current system hasn't been flexible enough to really meet the needs of the parents. Your particular preamble to your questions earlier on indicated the various types of child care that you had access to before and the advantages of many. I think these are what we have to look at. We have to say that parents and not governments should choose the kind of child care they want for their children, and that's part of what we have to consider.

Mrs Ross: That's a good point, because I think it's the parents' responsibility to ensure that they get the best child care they know how for their child, whether it be informal or formal. As I've said, I've used both. I was fortunate to find both of them to be suitable to my needs. Excellent, excellent care.

JK for me was a real problem, because boy, it's tough trying to get your kid to JK and bring him home and then put him in a day care in the afternoon or whatever. That

was a major problem, but other than that I really was fortunate. But it took a lot of time and a lot of effort on my part to make sure I got the best day care that I had.

I'd like to ask if we have any indication as to how many people use informal day care. Do we have any statistics on it? Is there any way of tracking that?

Hon Mr Tsubouchi: Before I get into detail with the officials here, I think approximately 75% of children under the age of 13 whose parents work or study are cared for informally or by other family members, friends, neighbours or nannies, to give you a perspective. Only about 10% of children under the age of 13 are cared for in licensed centres or home-based child care programs. I don't know if you wanted to add anything to that, Ron.

Mr Bakker: The numbers in this whole area, again like a lot of things with child care, can get quite complicated. Quite frankly, people have been trying for a number of years to get a good handle on exactly where people are accessing child care and where they're making their choices. The most comprehensive study that was done was a national child care study back in 1988.

1600

Just using round numbers—and I can give you more specific ones if you like—as the minister said, the studies show that about 10% of children whose parents are working and the children are under the age of 13 were in the formal, licensed system and the balance were not. I can give you a bit of a breakdown for that if you'd like. We did some rounding, but these are the more specific kinds of numbers.

Of that 90%—and by the way, it will add up to a little bit more than that, but we did round—between 47% and 48% were cared for by another family member. That may have been parents staggering their hours or it could have been a relative or a grandparent or some other relative, aunt, uncle, whatever. Between 26% and 27% were cared for by a non-relative. That would be paid or unpaid and that might have been a neighbour, a friend or whatever. About 17% had no care arrangement. These could have been children looking after themselves, it could have been parents who were working only during school hours. There were a lot of different categories of children in that group.

The Acting Chair: I think, Ms Ross, we will have to move on. Mr Cleary first.

Mr Cleary: Again, on the child care, I take it that you are changing the Day Nurseries Act. You're consulting again to change it.

Hon Mr Tsubouchi: Actually, what we said was we were having a child care review. Whether or not or not changes in that particular act will be necessitated is one thing, but the range of issues that we're looking at are the ones concerning parental choice, quality of service, affordability and the balance that we're going to look at between the private and non-profit sectors. These are some of the issues Ms Ecker is examining right now.

Mr Cleary: You had mentioned the working group. Could we ask who that is?

Hon Mr Tsubouchi: Yes. Do you have a list of that, Lucille?

Ms Roch: There are some very, I guess, well-known people who are involved in the working group. There's Donna Lero, who's a professor at the University of Guelph, who's quite well known in the early childhood education world; Maria De Witt, who's an executive director of a large family day care service here in Metro; Judith Levco, who's a vice-president of the YMCA; Sylvia Leal, who's an executive director of the Peel lunch and after-school program, which is a very large program; Ian Gibb, who's executive director of the London Bridge Child Care Services—he runs a non-profit agency that converted under the conversion program; Sandra Livingston, who's general manager of children's services in Thunder Bay; Elizabeth Matte, who's a supervisor with the social services department in the united counties of Prescott-Russell; Sam Bhargava, who's a director of a private child care centre in Orleans and Pine View; and a municipal commissioner, a woman called Bonnie Ewart from Halton.

Perhaps I should add that Ms Ecker will be visiting a number of child care centres throughout the province as well as arranging to meet focus groups in different parts of the province, in addition to the advice that she's getting from this child care working group.

Mr Cleary: Is it your plan to change the ratio of child to child care provider?

Hon Mr Tsubouchi: I think a lot of the questions you'll be asking with specifics really depend on what the outcomes are going to be from the child care review. I don't have any preconceived ideas right now, personally, but our aim, of course, is to make a better child care system and how that evolves from the child care review, discussions with the focus groups and the working committee—there's a lot of work there and there's a lot of direction we are trying to get from the communities out there.

Mr Cleary: We've all read about the food inspection requirements. Is that one of the things on your agenda?

Hon Mr Tsubouchi: I know there's a number of issues that child care providers want to be discussed, and Ms Ecker is really hands on with this particular committee. I'm sure there are a number of issues, some of the regulatory things they're considering too, but other than that they've made no decisions to this point, Mr Cleary.

Mr Cleary: I imagine the fire inspection requirements would be reviewed too.

Hon Mr Tsubouchi: Once again, if that's something that—

The Acting Chair: Excuse me, Minister. We will adjourn the committee for about one hour. There are apparently some security difficulties in the building. We are being asked to leave the building.

Hon Mr Tsubouchi: Do you want to adjourn it till tomorrow then?

The Acting Chair: Should we adjourn until tomorrow morning?

Mr Bisson: Yes. We can extend it for an hour more, that's all.

Hon Mr Tsubouchi: That makes sense.

The Acting Chair: Yes. We will adjourn till tomorrow morning at 9 o'clock.

The committee adjourned at 1606.

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Kevin French, manager, estimates and allocations	
Lynn MacDonald, assistant deputy manager, corporate services	
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*Sheehan, Frank (Lincoln PC)

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**In attendance / présents*

Substitutions present / Membres remplaçants présents:

Boushy, Dave (Sarnia PC) for Mr Jim Brown

Baird, John (Nepean PC) for Mr Clement

Colle, Mike (Oakwood L) for Mr Curling

Pouliot, Gilles (Lake Nipigon ND) for Mr Martin

Ecker, Janet (Dlurham West / - Ouest PC) for Mrs Ross and Mr Sheehan

Gilchrist, Steve (Scarborough East / -Est) for Mr Wettlaufer

Also taking part / Autre participants et participantes:

Marland, Margaret (Mississauga South / - Sud PC)

Wildman, Bud (Algoma ND)

Clerk pro tem / Greffier par intérim: Decker, Todd

Staff / Personnel: Poelking, Steve, research officer, Legislative Research Service

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Première session, 36^e législature

Official Report of Debates (Hansard)

Thursday 8 February 1996

Journal des débats (Hansard)

Jeudi 8 février 1996



**Standing committee on
estimates**

**Comité permanent des
budgets des dépenses**

Ministry of Community
and Social Services

Ministère des Services sociaux
et communautaires

Ministry of Municipal Affairs
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Thursday 8 February 1996

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Jeudi 8 février 1996

*The committee met at 0904 in committee room 2.*MINISTRY OF COMMUNITY
AND SOCIAL SERVICES

The Acting Chair (Mr John C. Cleary): I understood that when we adjourned the Liberals had about 10 minutes left. Correct me if I'm wrong. If I'm not, we'll start with Mr Brown.

Mr Michael A. Brown (Algoma-Manitoulin): I'd like to pick up a little bit on where Mrs Ross was yesterday when we were talking about child care. I am interested to know, as you've talked to your colleague the Minister of Education, if the ministry has been looking at what effect there may be with the now Ministry of Education's position that junior kindergarten will be voluntary. I understand that we don't have any idea exactly which boards may choose to opt out of junior kindergarten, but it seems to me that could and may have a substantial effect on the way we provide day care in the province of Ontario. I wonder what the minister's thoughts are on that situation, what contingency plans he may have in place to provide for those children who will now conceivably not be in junior kindergarten.

Hon David H. Tsubouchi (Minister of Community and Social Services): The government's position with respect to its child care review right now is to provide the parental choice and quality of services, affordability, accessibility—I think accessibility is one of them—that's part of really what Ms Ecker is looking at in terms of the child care review. It is quite a comprehensive review she is doing right now with respect to the child care area. Certainly, this is a factor that would concern many people in the province. That's something that has to be looked at by the committee of organizations and caregivers through the advisory committee, and certainly through the consultation process I know it will come up. That's something of course that we are looking at very closely as well. Did you want to add to that, deputy?

Ms Sandra Lang: Yes, I can, Minister. Thanks. We actually have been spending a fair amount of time with the Ministry of Education as it develops its plans. We are also sharing with them our plans. Until we have a better sense of what the takeup is going to be on junior kindergarten—as you know it's been something that has been implemented in some parts of the province but not province-wide. So until we have some appreciation of where—

Mr Michael Brown: There are some boards without junior kindergarten?

Ms Lang: Absolutely, absolutely. So there will be an appreciation of that once we know directly from the

school boards whether they're going to continue to offer that option or not. As you know, it will be voluntary on the part of the boards to offer that.

Mr Michael Brown: I understood the previous government to have made it mandatory. Is that not—it just hasn't come into effect?

Mr Gilles Bisson (Cochrane South): JK? It was going in that direction but I don't think it was all in effect.

Mr E.J. Douglas Rollins (Quinte): It was 100% funded before. Now it's being funded the same as any other part.

Mr Michael Brown: Anyway, the impact I think is of concern to all of us.

Hon Mr Tsubouchi: I think, Mr Brown, that by having the child care review committee look at that with Ms Ecker, and certainly with the ministerial communications and discussions with MET, we do believe that's something we must be looking at in light of how child care is going to be able to serve the people of Ontario.

Mr Michael Brown: Could you indicate, then, how many children are presently enrolled in junior kindergarten in the province as a whole.

Ms Lang: That would be something the Ministry of Education would have to provide. We don't maintain those stats.

Mr Michael Brown: I guess we should have asked that—

Hon Mr Tsubouchi: Of Mr Snobelen.

Mr Michael Brown: —a week ago. Our ongoing concern is how people have been using this system, and I stand corrected. I did believe close to 100% of children were in it. I believe the last I knew there were 13 boards that weren't in it, but there had been a takeup even among those boards. I think we are looking at interesting times for the minister and Ms Ecker as they attempt to resolve that.

Hon Mr Tsubouchi: That is a Chinese curse.

Mr Michael Brown: Well, I didn't mean it that way.

Hon Mr Tsubouchi: No, I know that.

Mr Michael Brown: There have been news reports over the last couple of days talking about proposals by provincial governments to the federal government in terms of changing the social safety net in general. Some of those would appear to be quite dramatic. Now, I have not seen any of the proposals other than some news accounts of what the proposals might be. I wonder if the minister could comment on I believe a provincial proposal by all the provinces, I take it, to divest themselves of income support programs.

0910

Hon Mr Tsubouchi: Yes. The particular newspaper article you're referring to unfortunately I don't believe

really dealt with the facts properly. As I understand it, what had come out of that particular interministerial conference were discussion points and not recommendations. I believe many of my colleagues across the country and different other provinces and jurisdictions, territories, have not really decided upon their own particular policy direction in some of these areas that were mentioned by the newspaper article.

I might add that not only is that particular council providing some discussion points, but certainly the conference for the ministers dealing with social services, which is a bit of a different committee, has provided other discussion points as well. So really, I think the newspaper article gave the impression that these were solid recommendations that were being made, when in fact they really were not.

Mr Michael Brown: I understand that the press reports are somewhat unreliable at times. What I'm really asking, though, is what is the position of the province of Ontario and your government? Is it the position of your government that you wish to remove all income support programs from the province and have them administered directly federally?

Hon Mr Tsubouchi: There are two things. Firstly, we're still working on a number of policy areas. In fact, our mandate really is how can we best deliver the services for the best price and still somehow look, hopefully, to making the system better. To that end, of course, we're having discussions both federally and also with our funding partners to try to find the ways to make the system better.

What I'm saying to you is, we're not at this point in time excluding any type of system that may make things better for people in Ontario, yet at the same time I'm actually advising that we have not fully developed any policies in this area yet. We are having discussions with the federal government to try to find out how we can best do these things.

Mr Michael Brown: I appreciate the answer. That's quite an intelligent response, if I might say so, but it also kind of begs the question of what is our preferred position here? Everybody's in favour of efficiency; everybody's in favour of streamlining jurisdictional problems; everybody's in favour of all the things you just mentioned. The question is, how are you approaching this as a government? You must have some idea. To say that you're in favour of efficiency is sort of like being in favour of motherhood.

Hon Mr Tsubouchi: I think part of the difficulty we've had is, we've had quite an odyssey to get to the point of discussion with Mr Axworthy and we haven't yet established a firm time to meet with Mr Young, his successor. So until we really have some sort of certainty in terms of what the federal positions are going to be in a lot of the areas which you're talking about, it becomes very difficult for us to have any type of idea of how we're going to formulate something from our perspective.

Mr Michael Brown: I understood this meeting to be about provincial ministers and that the provinces were attempting to develop a joint policy that they could present to the federal government, instead of just reacting to the federal government. It seems to me that if you're

doing that, you have to have a position that Ontario's willing to take or is putting forward at such a meeting. What is the position we're putting forward, other than, "We're in favour of motherhood"?

Hon Mr Tsubouchi: The actual paper we're speaking about is really a discussion document for the premiers. It was an indication of areas in which the particular ministers involved with that paper felt that some discussion should be had at the premiers' level in terms of trying to decide what kind of directions the country was going to take—understanding, of course, that both the premiers' conference and the social services conference were in reaction to the cut in the funding that we received from the federal government.

Mr Michael Brown: I'm just a little confused, as I think many people in Ontario will be, about what the position of this government is. We just witnessed the Americans. It's a different system, but the governors actually came and said, "This is how we want it done." They developed a position and obviously the governors and their cabinet ministers or secretaries, whatever they call them, had a position going into their meetings. I'm wondering what the position of the province of Ontario is.

Hon Mr Tsubouchi: I think one thing we have had throughout is trying to—once again, they are things you would describe as motherhood issues. I'm sure we would agree on most of these. How do we provide the best services for Ontario in light of the funding cuts under the Canada health and social transfer, to provide some sort of flexibility in the provinces for us to be able to deal with this? There are a number of factors in this whole dynamic that we have to pay attention to, yet we have to have some sort of idea what the federal positions are as well. We can't just formulate policy in a blind.

Mr Michael Brown: I agree with that, but obviously you have to be a little proactive in presenting the position that's preferred for the people of Ontario. Our position might be slightly different than perhaps Newfoundland or British Columbia—

Hon Mr Tsubouchi: It could possibly be.

Mr Michael Brown: —and when we are at the table, being the largest province in Confederation, with the largest population, with the largest gross product—

Mr John R. Baird (Nepean): The largest deficit and the largest taxes.

Mr Michael Brown: That's also true, that it's the largest deficit. I don't think it's true we have the largest taxes, but that's another matter.

It seems to me that we have problems. I'm not saying we don't. You're accepting—you don't have any choice but to accept—the federal reduction in transfers, although compared to what you've done to your transfers to municipalities, school boards, hospitals, colleges and universities, it's minuscule. We're trying to get a handle on where you're going. Are you going to an income-based system totally? A guaranteed annual income? A negative income tax? Are those in your thoughts? Are you presenting those kinds of ideas?

Hon Mr Tsubouchi: A lot of what we're doing in terms of provincial policies—we've clearly stated, for example, in terms of the seniors and disabled to get into

a different income stream with them, right off the welfare system.

How that's going to coordinate with the federal policies or possible policies or these areas that have room for discussion I don't really know right now, because we don't know what the federal involvement might be. It's really difficult to formulate policies in a vacuum and that's really the position we're in right now with the federal government in terms of trying to find out exactly what their policy direction is.

Mr Michael Brown: They might say the same thing about you.

Hon Mr Tsubouchi: But we're the ones who are saying: "Let's sit down at the table. We want to meet with you." Frankly, I wasn't the one who cancelled a couple of meetings.

The other thing too is that you mention that maybe the funds that we are being cut from the federal government are insignificant—not insignificant but—

Mr Michael Brown: I'm not saying they're insignificant; I'm saying versus the type of cuts that are being transferred to our transfer partners in Ontario. It's 2% or 3% of the provincial budget that is affected by the federal cuts.

Hon Mr Tsubouchi: But if you look at the absolute dollars, in 1996-97, it's \$2.5 billion; in 1997-98, it's \$4.5 billion. That's quite a significant amount.

Mr Michael Brown: Sure, I'm not saying it's not. Just percentage-wise, compared to what's happening to our transfer partners, it's huge. It's all a lot of money. My constituents have a lot of problem with what a billion dollars is too. It all sounds like a lot of money to me. Sometimes in politics we use these big numbers without any real conception of what it might happen to be. All I'm suggesting is that in comparison, it is not huge; it's not what you're asking your transfer partners to cope with.

Hon Mr Tsubouchi: Getting back to really what you're asking about, these are discussion points for the premiers to look at, and once they've collectively reviewed that document, Ontario at that point in time will determine what our position is to support any type of national social policies.

I think the Premier needs to get a real handle on what the other provinces' thinking is as well. Right now it's a little bit too early to really know what kind of options are going to be pursued with the federal government and its desire to make expectations for national social programs. 0920

Mr Michael Brown: Being consistent with the Common Sense Revolution, we could expect that the government of Ontario will fiercely oppose any user fees that might be suggested by the other provinces, that a user fee is just a tax by any other name and any taxes that may be imposed would be fiercely fought by the government of Ontario, and that there would be no way there would be any user fees in the social services condoned by your government, other than I recognize you've already broken the promise at least once.

Hon Mr Tsubouchi: Just to put my last comment in perspective in terms of the funding, if I could just make

a quick comment, and certainly the prior government's quite aware of this, not only are we looking at further constraints in terms of the funding from the federal government in the next couple of years, but the prior government had to cope with funding cuts in CAP over the last five years and they're certainly aware of that.

Mr Michael Brown: Actually the government before that.

Hon Mr Tsubouchi: Yes, certainly the government before that. So we all know what it's like.

One of the things we're saying is that our theme right now is basically if this is going to happen and what are you going to do to really counteract that happening, we need a lot more flexibility to deal with this provincially. That's one of the things we're looking for.

Mr Michael Brown: But we can be assured there will be no user fees?

Hon Mr Tsubouchi: Sorry?

Mr Michael Brown: User fees would not be part of a suggestion suggested by the province of Ontario?

Hon Mr Tsubouchi: We're looking at a number of measures.

Mr Michael Brown: I've read the CSR too.

Hon Mr Tsubouchi: I think one of the things people are concerned about, when you talk about our transfer partners, is the fact that we had a 2.5% constraint last year, and we're aware of that. However, one of the reasons we're going through with some of the discussions with the community groups is to look at the community and start making some decisions in terms of a priority of programs. There are a number of other factors that an across-the-board cut does not recognize of course, such as the argument of high-growth areas, for example. It really creates a huge burden on them. We're actually looking to try to provide some sort of flexibility.

There are a number of organizations out there that have several programs in several areas of the province that are looking for some flexibility in the way they're dealing with some of the constraints. For example, they might say in one area they probably couldn't even absorb a 1% cut, yet in other areas they could absorb a 10% cut, and they're saying, "As an organization maybe we should get some flexibility to be able to deal with this rather than just say each area has to have this amount," recognizing that different areas might have different needs and different factors in each local community.

Mr Michael Brown: You're suggesting kind of a global budget for these kinds of agencies then?

Hon Mr Tsubouchi: No, it's not my suggestion actually. That's a suggestion of one of the organizations to try to cope with some sort of flexibility. That's what they were saying to us as well. They say: "You know, if we're going to have to cope with any type of constraints, give us some flexibility in terms of how we can deal with it. Give us a little more leeway and deal with it in a logical manner rather than saying everybody's the same here."

Mr Michael Brown: I don't think anybody argues with that. It's just that we're a little nervous, having looked at Bill 26 and found out what the tools really are. Flexibility really means the ability to impose user fees.

Hon Mr Tsubouchi: That's why we're dealing right now directly with the organizations to see what kinds of

solutions we can come up with and working with the various programs and organizations.

Mr Michael Brown: I'm trying to say, are user fees in the game here? Tools, flexibility, all those kinds of code words—

Hon Mr Tsubouchi: This is not something that the government's put on the table in our discussions with them. I don't know. I mean we're talking to organizations now trying to find some solutions and we'll have to see what comes out of it.

Mr Michael Brown: Okay. We're having some difficulty, I guess you can imagine, in understanding what the policy of the government of Ontario happens to be today, and while we kind of enjoy the code words, they're kind of fun, to talk about efficiency and we're making flexibility, making things happens, you can understand our frustration. We're dealing with a set of estimates prepared by a former government, abridged somewhat by you, confusing to anyone in the opposition, trying to determine what direction the province of Ontario is going to go, because that is really the crux of our questions here, and not really being able to find out anything.

The province of Ontario doesn't have a budget, and this will be the first year in the history of Ontario we don't even have a budget document, which means your financial statement didn't provide us any idea of what revenues in the province of Ontario would be. It was really a transfer statement, not a budget, a mini-budget as people talked of it that way. Without a budget, with a set of estimates prepared by somebody else whom you obviously don't agree with on many items, we come and say, what are you saying to your provincial colleagues, what are you saying to the federal government, what is your position? We find out you want to be flexible. It's a little difficult for us to come to any conclusion about—

Hon Mr Tsubouchi: Mr Brown, I think it's a little more than that. Frankly, it's very difficult for us, as I said, to really formulate any type of policy in a vacuum of knowledge about what the federal government is really planning to do. We have been pressing them to try to find out, and our difficulty is, of course, that we don't know what they want to do.

Secondly, this particular document you're referring to is really a document with discussion points for the Premiers so they can get some sense of where their colleagues across the province are intending to go with all this. After that takes place, and certainly after having our discussions with the federal government, we will have to have some idea of where we want to go with this.

Mr Michael Brown: I understand all that and that's—

Hon Mr Tsubouchi: The other aspect of all this is that one of the things we are certainly promoting in this ministry is having consultation. I don't know if we're being criticized for looking to have consultation right now with—

Mr Michael Brown: I'm not criticizing anybody for consulting, Minister.

Hon Mr Tsubouchi: But I think that's what's important for us to do before we go forward.

Mr Michael Brown: What you're telling me is you don't have a position.

Hon Mr Tsubouchi: What I'm telling you is we're—

Mr Michael Brown: What is the preferred position of the province of Ontario versus your responsibility?

Hon Mr Tsubouchi: That's the difficulty we have.

Mr Michael Brown: What are you going to take to the table? What are you going to be saying, "In a perfect world, this is what we would like you to do, federal government; this is what we think the other provinces should do"? I understand there would have to be compromises. I understand you would have to live within a world that maybe you don't have total control over, but at least you have to have an opening position going into these talks, a preferred position, a position that represents what you believe is in the interests of the people of Ontario, as well as the people of Canada.

Hon Mr Tsubouchi: Believe me, I'm not going to give advice to other provinces. Let's look at the other level that we're talking about and that's dealing with some of the transfer agent partners we have. If we go in with a huge preconceived agenda and ask them to rubber-stamp it, then it really makes no sense, and I think you agree with that because of the way you sort of grimaced at me.

With respect to the federal government, it's like with the child care area. We need to know what's being offered before we say, "Yes, give it to us." I think the difficulty is you can't say yes and ask what the conditions are afterwards, because that may not be in the interests of the Ontario people. Similarly, with any type of a national policy, we want to get some sort of idea of what direction our colleagues across the country are heading in as well, because that's what this whole thing is about, to get some sort of sense of all this, and I think that's important before we actually go the federal government and say, "Look, this is really what we think."

Mr Michael Brown: I'm not disagreeing with you; I'm just trying to determine. The province of Ontario must have some basic criteria, must have a basic view of how social services need to be delivered in the province, and maybe the federal government is going to say to you: "Forget it. That's not how we think it should be done. We're going to have to talk about this." But to say that as a government that is now in power in Ontario, which had a clear view of how social services were to work in the province, you don't have preferred options, you don't have an idea of where you want to go, to just say, "Well, we'll have to be flexible and mush around and we'll have to deal with the realities everybody else has," is just almost shocking.

0930

Hon Mr Tsubouchi: I don't think I'd really characterize it that way. I know that some of the other colleagues we have here sitting at the table with you have probably been to some interprovincial conferences, and—

Interjection.

Hon Mr Tsubouchi: Yes, and with me. The difficulty of even coming up with a consensus with your other partners at the table for a press release is almost insurmountable at times. I think that the provinces, of course, have to deal with the funding cutbacks. That's really where a lot of this is coming from. In order for us to come up with some sort of provincial position, and I mean provincial in the plural, dealing with the federal

government, that's going to require a little bit of sorting out to do. I'm sure that Mr Curling would agree that's a very difficult process, to come to a consensus in these conferences. There's not a lot of consensus to begin with because a lot of the provinces are coming from different backgrounds and it ends up being a bit of a compromise to try to get some sort of sense of how we can all get some sort of agreement.

Mr Michael Brown: You know what? I think the only consultation that hasn't occurred is that the whiz kids in the Premier's office haven't told you yet. I think that's what's going on here, and I think that the largest province in Confederation, the largest GNP, the engine of Canada, doesn't have a position other than "We'll talk" is amazing.

Hon Mr Tsubouchi: I don't think that you're really giving the credit to the civil servants who work with us in our ministry. Quite frankly, I think that anyone who has had the privilege of being a cabinet minister in any prior government knows the amount of work that the staff does. It's incredible. Regardless of any type of policy directions or political directions, you have to have any type of policy based on some sort of solid foundation, and I believe that's where a lot of it comes from, is from the civil servants who work with us.

Mr David S. Cooke (Windsor-Riverside): I just have a couple of questions, and Gilles is going to ask some questions. It is refreshing to hear the minister talk so positively about the civil service, especially when I'm sure his ministry is going to make up a large portion of the 27,000 that his government's going to fire.

Could the minister just give us some idea about what he means by "core services for children's aid societies?"

Hon Mr Tsubouchi: First of all, as you're aware, there are mandated services that the children's aid society does provide.

Mr Cooke: What are those that you're referring to?

Hon Mr Tsubouchi: Children in need of protection, in danger, but frankly—

Mr Cooke: Preventive services are mandated services too, under the act.

Hon Mr Tsubouchi: I think your mandated services have to form part of the core services, but what we're doing is, when we're working with these groups—you sort of, I guess, don't believe we're working with them as closely as I would like you to believe—basically we're trying to find a way to manage a better, affordable, effective system of social services. I suppose that means that these are some of the decisions in terms of the programs that we're looking for some direction with our advisory committees.

Mr Cooke: You must have some view. I mean, you're the minister. Of course, everybody's looking for more effective public services. All I'm trying to get an idea from you about is what services CASs are carrying out now that you believe need not be carried out by them or would not form part of the core services. We've had this debate for about 20 years and we expanded the role of CASs into preventive services. I think it's fairly basic to just ask you what's being looked at. Obviously a definition of core services means that something that is now

being done is not going to be done by the children's aid societies.

Hon Mr Tsubouchi: I think you're making some assumptions here as to what may or may not be done. Certainly, the Ontario children's aid society umbrella group is at the table with us.

Mr Cooke: Of course they're going to be at the table with you; their life's at stake.

Hon Mr Tsubouchi: No, it's not just that. I think that they're at the table with us to really help us formulate what their structure and core services are going to be, and they're a very important voice at the table.

Mr Cooke: I'm sure they've also expressed to you concern about what the definition of "core services" could be.

Hon Mr Tsubouchi: At which time I assured them that they, along with the other groups, will have a very strong say in what that will be.

Mr Cooke: That's all I'm trying to get. Since you're the decision-maker—you're ultimately going to make the decision or the recommendation to cabinet—for example, do you foresee that there might be amendments to the Child and Family Services Act this year or next year?

Hon Mr Tsubouchi: There may or may not be. Once again, you're right. Ultimately, the decision's going to be made at the ministry, but once we've gone through a thorough discussion with these groups and listened to the recommendations.

Mr Cooke: So you've not brought anything to the table. You've just said that you want to move towards core services but you don't have any view of what that means.

Hon Mr Tsubouchi: We're asking for their assistance in helping us define what they, as care providers, provide. The difficulty is, do you want to go to a real consultation or not? If you go to a real consultation, you listen to what the groups say before you formulate the final document as opposed to saying: "Here is it. Rubber-stamp it."

Mr Cooke: But, Minister, the groups want to know something about where the government is going. You don't go to the table and say: "We want to define core services. We have no view about what core services are. In fact, we don't even know what 'core services' means, but we want your advice." You must have something that you or your ministry's brought to the table.

Hon Mr Tsubouchi: This is a free-flowing dialogue that we have with them. It's not quite as simplistic as you make it out to be. It's a real dialogue we're having.

Mr Cooke: I don't think it's simplistic. I just don't think you're being fully forthright with the committee.

Hon Mr Tsubouchi: The real problem here is integration of services. Look, when we're starting to look at how to structure things and how to deliver those services, and you're quite aware of this as well, ministries in the past have developed programs in silos, and the social services programs have evolved—actually not evolved, but have grown in such a hodgepodge that there's been no type of rationalization in terms of how these things have to be integrated, that there's a program needed here, and it's developed in isolation to what actually may be in that community as well. That's really the core of this.

Mr Cooke: Come on, Minister. This is a cost-cutting exercise that you're involved in and that's why we're redefining the role of children's aid societies. You and I aren't going to agree on much philosophically, so all I'm trying to get from you is an idea that I think the taxpayers and the public are entitled to know: what kind of direction you're looking at. Have you filed any paper at this point? Has there been anything, a discussion document or anything, that you have presented to—

Hon Mr Tsubouchi: Mr Cooke, you're making the assumption that we're going to redefine what children's aid societies are going to be.

Mr Cooke: You've cut them back 5%. We've got children's aid societies that have gone broke.

Hon Mr Tsubouchi: And you cut them back 1% prior to that, too. That's not really a reason to say we shouldn't be looking to see how we can better serve people.

Mr Cooke: Don't put words in my mouth. I didn't say—

Hon Mr Tsubouchi: That's what you do to me.

Mr Cooke: —that we don't want to find better ways of delivering services. But that's not your objective here. And if it is, then tell me what you mean by "core services." Give us some idea.

Hon Mr Tsubouchi: What makes you think that this government does not want to make things better?

Mr Cooke: I didn't say that.

Mr Bisson: Experience.

Mr Cooke: I didn't say that.

Hon Mr Tsubouchi: No, you have actually, because you're saying we're just looking to cost-cut, we're not looking to improve the system. Look, there's a number of problems with the system, and you, of all people, are very well aware of that.

Mr Cooke: I'm not in favour of the status quo.

Hon Mr Tsubouchi: There's a lot of confusion in terms of how to access the programs, what programs are there, the duplication in programs. There's a number of issues that have to be resolved somehow, and that's how you can make the system better. Look at the actual programs, too.

Mr Cooke: So you're not prepared to tell us today what your view of "core services" is. That's very clear.

Hon Mr Tsubouchi: What I'm advising you today—

Mr Cooke: Can I ask you one very specific question, or can the deputy answer this? Has there been anything tabled with the Ontario Association of Children's Aid Societies and the others that are being consulted on this that would be a discussion document or give any direction from the ministry of what's being looked at on core services for children's aid societies?

0940

Ms Lang: We've had discussions with the provincial associations. I think it's fair to say to you, Mr Cooke, we're not looking at just defining what are the core services of children's aid societies. What we're looking at, hopefully once and for all, is how we restructure children's services in this province, given that we've talked about it for about 15 years now, and determine what are the key functions that need to be operative in any given community across this province that ensure that we continue to provide mandated services as well as

provide investment in intervention and early prevention kinds of services.

So we have been talking with all of the associations about what a new children's service system might look like, based on some of the experiences we've had with communities across the province that have been planning and have been putting together for us some very good ideas about how the system might function.

Mr Cooke: But could I just get back to the question. Have there been any ideas that have been tabled by the ministry that you could share with the committee?

Ms Lang: We have not tabled; we have shared some ideas with the provincial associations. They have offered us some feedback and some advice, both in the context of meetings with officials and meetings with the minister.

Mr Cooke: I can't remember the exact number, but there were a couple of children's services councils that were still around that did some local planning. I don't know where the ministry is going to ultimately go, but I think the only way you're going to end up having a rationalization of children's services at the community level is to have some planning mechanism at the local level and that the real failure of the councils was that back when Mr Drea cancelled a lot of them in the province, they never got to the final mandate of being able to actually implement some of the planning at the local level. What would the thinking have been in cancelling the couple of councils that still existed if in fact we want to rationalize and improve children's services?

Ms Lang: The rationale behind that was that we took a look at what the critical services were that needed to be preserved and continued in the province. When we made some options available to the government in terms of cost reductions, we looked at those components of the system that were not providing direct services. One of the considerations was, when you're not providing direct services, is there another way in which that function can be carried out? I think it's fair to say that in many communities across the province we bring people together through our area offices; we don't necessarily need to maintain an infrastructure. So the rationale behind the decision was to ensure that the money that was left was in fact going to direct service delivery.

Mr Cooke: But you're not moving with the view that regional offices would become the planners at the local level?

Ms Lang: I think what we would like to see is the area offices being very much part of supporting the planning effort that involves members of the community and individuals who have an interest in the certain system, much like we have in places like—

Mr Cooke: I must say that back in the 1970s, when the ministry moved towards the establishment of the children's services division and then regionalized the ministry, while I think there are a lot of good people who work in the regional offices, my view of it at the local level in my community is that the only thing that really happened was that there was a lot more staff. There wasn't anything being delivered in a more effective way, and the way that it was organized is that when the regional office in Windsor has to communicate with Toronto, they communicate with London, London com-

municates with Toronto. The number of people that have to be talked to before an answer can be achieved is not particularly helpful. But I guess I'd be really concerned if we were moving towards empowering regional offices and not empowering communities to make some decisions about rationalization of children's services.

Ms Lang: First of all, I think I should correct for you the impression you have that there are regional offices out there. We do not have regional offices any longer.

Mr Cooke: Local offices.

Ms Lang: In the previous administration, we restructured. We have local offices now who report directly in to an assistant deputy minister. Those local offices work very closely with their communities, as you know, and engage those communities, as much as they can, given policy direction from government, in what kinds of changes might be brought about. It is our hope that we can build on that and engage them in a very significant restructuring effort that hopefully will finally realize a vision that's been created for children's services in this province but has never been actualized.

Mr Cooke: Could I get some idea from you about what's on the table with the child care review? There's been lots of discussion about the voucher system. But at this point, maybe you can just start by giving me an actual statistic. I'd like to know, as you're answering this, how many child care spaces have been lost as a result of the 80-20 cost-sharing on the Jobs Ontario Training spaces as opposed to the 100%, because that's where we start with the tearing down of the child care system. Then, what's on the table? You've said in the House that everything is on the table, but you've also seemed to have given the impression that the voucher system wasn't something that you were particularly attached to or supportive of. So is the voucher system on the table or is that one of the things that you believe would not be appropriate for Ontario?

Hon Mr Tsubouchi: To put that in context, when that particular matter came up it was in connection with some report. I said at that point in time that I had not seen the report, nor had it been presented to me. So I didn't give an indication one way or the other of my view on that.

In terms of the actual items that are before the child care review, as you know, I've given that task to Janet Ecker, who is my parliamentary assistant. The mandate of course is providing better child care, more accessible, more affordable, that whole range of items. I assume that the matters which we are looking at will be the whole range that will affect any of the points that affect creating a balance and accessibility and a better system.

Mr Cooke: So the voucher system would be on the table? I'm not saying that that's something you've adopted, but it's not been eliminated as one of the options you'd be looking at?

Hon Mr Tsubouchi: First of all, a number of these groups are putting forth—a number of the members may be putting forth some suggestions. There are a number of issues that they have to deal with. You're trying to get some sort of idea from me at this point.

Mr Cooke: Yes. A voucher system is pretty fundamental. I'm asking you, as minister, is it on the table or

is it something that you have taken off the table? That's all I'm asking. I don't think it's an unreasonable question.

Hon Mr Tsubouchi: It's not an unreasonable question. However, the items that are before the committee are certainly items that the committee itself brings forth as well.

Mr Cooke: You're the minister. None of us are paid to be the minister. You're the minister. So you've got to have some views on this.

Hon Mr Tsubouchi: I'll tell you something: My view is only one. That's why we have the consultation process going on.

Mr Cooke: So you're not going to tell me whether, in your view as Minister of Community and Social Services, the voucher system is on the table or off the table?

Hon Mr Tsubouchi: What I'm going to advise you is that we're looking for direction from the advisory committee.

Mr Cooke: Forget it. What's the timing of the report?

Hon Mr Tsubouchi: Well, I suppose, due to Ms Ecker's commitment on the committee hearings that had taken place during January, we've lost a lot of time. I know that this is an area of priority for Ms Ecker. Hopefully, as soon as possible. I can't give you a direct time line on it. We're depending on this child care review as well to give us part of the puzzle in terms of how this is going to fit into our workfare idea as well. It's very important to us, and it has been—

Mr Cooke: Oh, it's so important you can't answer anything about philosophy on it or timing.

I've just got a few minutes left in this round. Could I ask some questions of the ministry? I'd like to just go back to the supervision of the 16- and 17-year-olds and the process that's being used for those that are on social assistance and the fact that the new rules say they have to be living with adult supervision. I'd just like to get a better understanding of how that's working and what the placement process is.

Ms Lang: Perhaps we could ask Kevin Costante to come up again.

Mr Cooke: I know this was raised yesterday, but one of the concerns that I have, and I think I expressed to you when you were briefing us once, is that when you bring in a rule that 16- and 17-year-olds have to live with adults, I understand the objective, but I'm very concerned about where some of these teenagers are going to end up.

0950

If you're putting in place a rule that makes it mandatory that they live with adults then the ministry has some obligation to see how those placements are working, so I want to know what the process is. Are all 16- and 17-year-olds now living with adults if they're on social assistance? Are there visits taking place by the ministry to check on the appropriateness of these placements?

Mr Kevin Costante: First of all, I should say that it's not mandatory that they live with adults. We have asked that the municipal welfare administrators ensure that there is some adult contact, so we're talking of responsible adults who would provide some advice, some guidance to these young people who are somewhat on their own, and that's what we have asked them to put in place.

Mr Cooke: How is that being monitored? Everybody has adult contact. What does that mean and how is it being monitored?

Mr Costante: In terms of how the ministry monitors it, the ministry monitors compliance of policies through our program review officers. We have about 50-some program review officers across the province and they are responsible for checking, on a periodic basis, various policies that municipalities are empowered to enforce.

Mr Cooke: I may have asked the question wrong. I meant, how are the young people, the 16- and 17-year-olds, being monitored to see that this policy is being followed? In other words, they still qualify for social assistance but that the adult contact is appropriate.

Mr Costante: Again, the responsibility is with the local municipal welfare administrators and their individual case workers. I think when I was briefing you—I believe that was before the House opened—I had indicated that this was a practice that many municipalities had employed for some time. I believe I sent you the guidelines that the regional municipality of Kitchener-Waterloo was using in terms of how they would do that.

Mr Cooke: I didn't want to get into the details of what we said to one another but since we have, I think there was also an expression from myself and from our caucus of great concern but also that we might end up setting up what amounts to a children's aid society for 16- and 17-year-olds, and the response from the ministry was, "Maybe that wouldn't be such a bad thing." I remember that very clearly so that's why I'm asking the questions here today of what exactly is being done.

When a new regulation is put in place saying that 16- and 17-year-olds have to have—and I don't have the exact wording but it wasn't "adult contact," it was "adult supervision" when the press release went out. I think we have to follow up and ask what that means and how it's being followed up. The municipalities have some responsibility but the ministry sets the standards and sets the criteria since you've set the policy. And I'm really worried about some 16- and 17-year-olds who are going to find themselves in positions where they're going to be very vulnerable because of this rule.

So I think there's an obligation to tell us a little bit more about how this is being monitored in order to make sure that these 16- and 17-year-olds are not being put at risk because of a policy that, quite frankly—not your doing—a policy that's been set by a government that is basically pandering to those who are attacking welfare recipients and gave people the impression that there were hundreds of thousands of kids on welfare. What is being put in place to protect kids to make sure they're not being put in vulnerable positions?

Mr Costante: Obviously our intention and the intention of the municipal welfare administrators is that that not be the case. The intention here is that we are providing some responsible adult guidance to young people, 16 and 17 years old.

Mr Cooke: I know the objective and I appreciate that, Kevin. Of course, there would never be a policy that would be put in place by government that would deliberately put kids in a vulnerable position. Of course not. It comes down to, what are we doing to make sure that

doesn't happen? At this point, I haven't been told anything that's being done.

Ms Mary Kardos Burton: If I can just add to it. I'm Mary Kardos Burton. I'm the director of social assistance. When the policy was developed there was extensive discussion with the local welfare administrators. In many of the communities, of course, some of them being very small, the welfare administrators have much more knowledge of the community situation.

In terms of what is being done, one example would be—and Kevin is quite right—a situation where it has to be a responsible adult who does not have to live with the individual but certainly has responsibility for overseeing whether or not the person is in school. But if there was a situation, for example, where there was a boarding situation, and our guidelines actually say this, the expectation would be that the welfare administrator would have some knowledge of that individual in terms of who was running the boarding house. What we don't want to have, and I'm sure you can appreciate this, is that the welfare administrator would be making personal judgements about the personal characteristics of individuals. I don't know whether that helps, but I think the confidence in our administrators in terms of how seriously they take this situation, we found that out certainly through the extensive consultations that we did when we redeveloped the policy recently.

Mr Cooke: Making judgements? You don't want welfare administrators to be making judgements. The policy itself has made judgements. The policy has basically said that 16- and 17-year-olds should not be living without adult supervision. So you're going to make it mandatory that there has to be adult supervision. Now, if you're not making any kinds of judgement, surely you're not saying any adult supervision. There have to be some criteria. Has there been any standard, any direction, set out in writing for welfare administrators?

Mr Costante: Yes, we've provided some direction. There are guidelines that go out with each policy that provide some direction. It's not detailed direction in terms of characteristics of individuals. It gives general guidance.

The other thing I would say in terms of the monitoring is that certainly our intention for our program review officers is that many of the new policies that we introduced last year would be on a list to be reviewed this year in terms of how the policy is being implemented.

Mr Cooke: If you're going to review it though, you've got to have a little bit more information than you're sharing with us about how it's working. I'd certainly like to see what you've sent to welfare administrators.

Mr Costante: We could provide you with the guidelines.

Mr Cooke: But there is no guideline that says there should be visits. If the supervision is direct, are there home visits? In other words, if the 16- or 17-year-old is living with adult supervision, is there any kind of a home visit?

Ms Kardos Burton: Do you mean home visits by the individual or—

Mr Cooke: By the welfare worker.

Mr Costante: The local home visit policy of the municipality would apply. You mean, visits to monitor—

Mr Cooke: Yes, to make sure. Just as children's aid societies do home visits, is there any kind of a home visit to approve the particular setting?

Mr Costante: I think that's done in discussion with the young person. Most municipalities, again to provide some context, have set up special workers who concentrate on young people, 16- and 17-year-olds.

Mr Cooke: What were we trying to achieve then, Kevin, that if in fact the determination of whether the arrangement is appropriate or not is done in consultation with the young person, then of course the young person is going to say, "The relationship that I have is appropriate and therefore I should qualify for social assistance." What was the original purpose of this policy?

Mr Costante: The original purpose, and there was a perception I think in the community that these young people were on their own, that they weren't perhaps properly motivated or attending school and that they needed some adult guidance to—and expectations—

Mr Cooke: But attendance in school was already mandatory.

Mr Costante: Not before this policy came in.
1000

Mr Cooke: So now everyone, all 5,100 or whatever the numbers are, is attending school.

Mr Costante: They have to be in school or training, yes.

Mr Cooke: How is that being monitored?

Mr Costante: Again, that's the responsibility of the local welfare administrator. It's monitored like we monitor every other policy. They have certain delegated authority and responsibilities under the act and the regulations.

Mr Cooke: Teachers have said that they don't want to be part of monitoring attendance.

Mr Costante: I think most municipalities at the local level have set up quite good relationships with the local school boards in terms of working with them and the guidance counsellors etc in terms of providing some assistance, and just by having 16- and 17-year-olds—

Mr Cooke: Boy, I can tell you, the two years that I was Minister of Education, the first thing the school boards said when any of this was ever discussed, because we discussed it too, was: "We don't want to be welfare administrators. We're not going to be implementing mandatory attendance of schools at the school level. That's not my job as a principal or a teacher." You know that's been the view of teachers and school boards for quite some time.

Mr Costante: I'm not saying that we're going to abrogate our responsibility in terms of administering this.

Interjection: It's a policy.

Mr Costante: I think there have been quite good relationships, at the local level, set up between local school boards, local schools and the municipal welfare administration offices. If you go and talk to some of them you'll find that out. I've talked to a number of them. I think they're trying to do a responsible thing and help these people progress.

Mr Cooke: What we're basically saying is that there are no prior checks. The adults who are going to supervise, are they interviewed by the welfare workers before the arrangement is approved?

Ms Kardos Burton: They may be, but I wouldn't know in every case.

Mr Cooke: So no mandatory interview with the adults; taking the approval from the 16- and 17-year-old; no formal arrangements with the school boards. This policy is a joke.

Mr Bisson: It is.

Hon Mr Tsubouchi: At least there's an expectation here that there's going to be a responsible adult assisting the 16- or 17-year-old which—

Mr Cooke: How can you say "responsible" when it's now been confirmed that they're not even interviewed?

Hon Mr Tsubouchi: But at least it's an expectation that the prior government did not have. Your government did not have any expectations at all.

Mr Cooke: They're not even interviewed, for God's sake.

The Chair (Mr Alvin Curling): Thank you, Mr Cooke. The NDP's 30 minutes is up. May I just raise a point now that we'll have to deal with. It will be easier to deal with it now than later.

The scheduled approximate time that this minister would have been here if things had gone normally would have been 12 o'clock and the Housing estimates would start at 1:30. You know the incidents that have been happening really have pushed us off, that by 12 o'clock we'd still have two hours and 20 minutes of the estimates time left for the Ministry of Community and Social Services. What I'm working up to is, do we give notice to the Ministry of Housing that its time will be at 4 o'clock, later on, or is there any consensus of what we do from here? I'm looking for guidance from the committee.

Mr Bisson: Tell our friend Al Leach to be here at 4.

The Chair: I'll take it we don't have consensus, then.

Mr Bisson: That's right. Onward and forward.

Hon Mr Tsubouchi: Mr Curling, before you actually decide on that, it's my understanding that before we adjourned yesterday, around 4:30 or so, there was an indication at that time, at least for the time that was allocated for yesterday, that there would be at most an hour added on.

The Chair: I regard this process as the big clock and the small clock. The big clock continues to tick on and the other clock is for you to actually proceed by. It's 15 hours allocated to Comsoc, and we would proceed accordingly if there is consensus.

Hon Mr Tsubouchi: I believe there was consensus to this yesterday.

Mr Michael Brown: Just to be helpful, Mr Chair, I happen to be the member who was in the chair at the time of adjournment yesterday. It happened in quite a hurry, and the only thing that was really done by the committee or by the Chair was to adjourn the committee. There really wasn't any, at least, formal discussion. The committee did not adopt anything because obviously the nature of the circumstance was that we had to go.

Mr Bisson: Two hours and 20 minutes left?

The Chair: No. It will be two hours and 20 minutes left as at 12 o'clock if we proceed normally until that time. It seems to me that yesterday we did not have consensus, and I'm seeking consensus.

Mr Baird: How will that affect the committee's deliberations with respect to Mr Leach's appearance at the other end next week?

The Chair: Mr Leach will continue. As I said, the clock will continue. When he comes he'll have to do his 15 hours too.

Mr Baird: Do we know Mr Leach's availability?

The Chair: He should be available.

Mrs Lillian Ross (Hamilton West): I think we have unanimous consent to reduce the Housing component down three hours so that in fact Mr Leach would finish on Monday.

Mr Bisson: No, there's no unanimous consent.

The Chair: As I said, you saw what I did, seeking unanimous consent and there was no unanimous consent in that regard.

Mrs Ross: With respect to the Housing issue?

Interjection: She's saying that when we get to Housing, to reduce the time from 15 to 12 hours.

The Chair: Oh, you're raising another point about Housing then, to reduce Housing.

Mrs Ross: Yes, from 15 down to 12.

The Chair: And you're seeking unanimous consent to do that.

Mrs Ross: Yes.

The Chair: We had that, or you're asking for that?

Mrs Ross: I'm asking for unanimous consent.

The Chair: May I ask the NDP—

Mrs Ross: Mr Chair, I'm new to this process, so I'd just like to ask a question. Because Housing was our choice to come before this committee, is it not our decision then if we want to reduce the hours?

The Chair: No, it's not your decision. Once it's been voted on, it's selected that time; 15 hours is there. It's not your choice now to reduce the time. You can make the suggestion, as you're doing now.

Mrs Ross: Okay. Does it have to be unanimous?

The Chair: Yes.

Mr John C. Cleary (Cornwall): That's only a proposal on this sheet.

Mr Cooke: I think there was some discussion that took place between the staff of the three House leaders' offices on the Housing issue. My recollection, and I'm just going by memory, is that since the Conservatives chose Housing, our view at least was that if they wanted to reduce the number of hours, we shouldn't be precious about it. It was the choice of the Conservative Party for its estimates.

The Chair: You're saying that since they selected, your party would give consent to reduce the time and you'd agree with that. That's what I'm hearing.

Mr Michael Brown: It's not that we wish to be difficult over here. This is news to us, the idea that we would reduce the number of hours for Housing. We would like to think about it before we concur.

Mrs Ross: Mr Chair, if I may just make the point that the purpose of this is because originally the schedules were different than what we have before us now. There

was some error made in the schedules, and when they were changed, Mr Palladini, who was scheduled to appear Thursday morning, had something else on his calendar and is not able to make it Thursday. So in order to accommodate his calendar, we're asking to reduce the Housing so that Transportation would finish on Wednesday.

The Chair: There doesn't seem to be consensus yet. The Liberals are asking for some time, so let us get back to this afterwards.

Mrs Ross: Okay.

The Chair: May we proceed now and you could tell us your decision.

Mr Michael Brown: I was just going to suggest that maybe the subcommittee could chat about this informally rather than take committee time, and time away from the estimates.

The Chair: You've heard the views already. The Liberals can come back and tell me their position on that. May we proceed to the Conservatives with their time?

Mr Baird: There were a number of issues I wanted to discuss with respect to the estimates, Minister. The first is the issue of sponsorship default. I think one of the excellent components of our immigration system is the sponsorship element program. I think it helps the country to introduce immigrants into Canadian society, which I think benefits us socially and benefits us economically.

Having said that, I think the whole integrity of the sponsorship process is at times in question, albeit not anywhere near a majority of cases end up in default. I know that's a concern to many, more for the integrity of that process, because I think our system benefits particularly when there's a sponsor there to help the individual integrate into Canadian society and into Ontario society. It's not a huge direct cost to the taxpayers, and that's something I think should be very much encouraged. I tell you, I'm disappointed in the current federal government for continually decreasing the immigration levels.

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With respect to sponsorship, I wanted to know if you could tell us what degree of a problem this has been within the context of default in your ministry. Has it led to increased caseloads? What burden has it had with respect to the finances of the province of Ontario?

Hon Mr Tsubouchi: First of all, failed sponsorships are clearly a problem that we have in Ontario. The failure of sponsors to live up to their basic contractual commitment translates into an increased burden on the Ontario taxpayer and further pressure on our social service system. The changes recently introduced by the federal government are a good step in the right direction towards addressing this issue. We're currently evaluating the impact this is having on our social service system.

We've taken a variety of measures with respect to sponsorship default. Current regulations recognize that it's the sponsor's obligation to provide support, and in doing so reduce social assistance expenditures. So we recognize that there is an obligation there that sponsors should have as well and we're looking for long-term solutions right now.

Our discussions with the federal government have led to changes in the sponsorship arrangement which were

announced very recently by the federal government. Such changes tighten the eligibility for sponsors, toughen the enforcement and target abusers, with a focus on minimizing reliance on social assistance.

A key initiative that we've taken as well on curtailing the sponsorship default is in a Peel pilot project. The purpose of the pilot is to test several intervention methods to limit sponsorship defaults, which will result in social assistance payments. It's a partnership between Peel, Immigration Canada and with our participation in it as well.

The other initiative is a listing of Ontario's social assistance legislation and the regulations of the federal Immigration Act. This listing will allow the federal government to take sponsors to court to recover moneys paid out in social assistance to their sponsored relatives.

So we have taken a number of initiatives in this area and we're working with the federal government to come up with solutions on this and get people to live up to their contractual obligations. Did you want to add to any of that, deputy?

Ms Lang: I think we could ask Kevin to perhaps give you some details in terms of numbers of sponsored immigrants who are in the system at this point in time.

Mr Baird: I appreciate that you've identified it's a problem and that there are a number of initiatives by the province to deal with it, which I think is important. We're dealing with the 1995-96 estimates. From time to time we forget that at these meetings. Is it possible to get an idea of what size of problem it is in terms of financial allocation? If you're able to, that would be terrific, or have it tabled with the clerk at a later time.

In terms of elements in our society, I think it's important that we maintain the integrity of the sponsorship program, particularly as the set immigration levels declined in the last two years, after increasing for 10 or 20 years. We just want to maintain the integrity of the sponsorship program. The defaults are a concern, because I think that creates an unfair characteristic. Are there any specifics you can give with respect to numbers and costs?

Ms Kardos Burton: Yes, there are. There are approximately 35,000 sponsored immigrants on social assistance. That has a yearly expenditure of approximately \$350 million. As the minister said, the government has been working on a variety of measures in terms of sponsorship default. The provincial government was involved in negotiations with the federal government. We're working towards an immigration agreement, and sponsorship default was one of those areas. In December, the federal government also made a number of announcements related to sponsorship which are really helpful to the province. So the order of magnitude in terms of the problem is as I said, and there seems to be significant progress in terms of what we're doing on the issue.

Mr Baird: On that number, 35,000 cases at a cost of \$350 million—and it would be difficult, because I don't know how long the contractual agreement with respect to sponsorship would last—is there any indication as to what percentage rate of default? Is there any information or statistics available? I appreciate it would be difficult, because obviously there would be a certain exact number of sponsorships per year and the social assistance rates could be in the second, third, fourth or any year. Is there any information with respect to the percentage of defaults

in the system? You mentioned 35,000 on social assistance. Do we know what percentage that is—5%, 2%, 10%—of the overall sponsorship? You only deal with, obviously, the defaults.

Ms Kardos Burton: Oh, I see what you're saying: in terms of the number of people who are sponsored into this country. Well, 30,000 are on social assistance, and of course that's one of the issues. When they sign a sponsorship agreement there's an expectation that they wouldn't be going to the public purse for any kind of public assistance. However, the issue has been that there has been no enforcement of the sponsorship agreements.

Mr Costante: We'd likely have to do some work in terms of getting you a number, a percentage. It would be quite difficult because I think over 100,000 people come into Ontario each year from other countries, many of them under sponsorship agreements—some are under refugee status—and the sponsorship agreements themselves are generally of five and 10 years' duration. We could see if we can get something of a general nature. It's kind of hard to be exact.

Mr Baird: I should say on the record that I have an appreciation that obviously you and your officials, your business is social services.

Ms Kardos Burton: It's not immigration policy.

Mr Baird: It's not administering the contractual agreements, so I appreciate you wouldn't have that on hand. But it would be interesting, in terms of our context, to find out how much of a problem it is, because 30,000 is a significant number. I think it's very much a secondary concern, an important secondary concern, with respect to the burden on the Ontario taxpayer, but I think firstly it goes to the integrity of the whole sponsorship process, and that causes me an equally great concern.

Mr Costante: I think that's why the federal government announced, in December, a number of measures to try to strengthen its management of the sponsorship system. Certainly a lot of those measures were as a result of comments by Ontario in terms of what it was doing to our social assistance system.

Mr Baird: I'll yield to my colleague.

Mrs Ross: Mr Chair, I believe we have unanimous consent that this caucus would agree to forfeit its time and go to the opposition parties so that we can move the schedule up and the minister could leave earlier and we could begin Housing earlier. I'm not sure if that's the proper wording.

The Chair: We have consent that the time that is given up is a part of the time given up for the estimates for the—okay. What you have given up here is about—

Mr Peter Preston (Brant-Haldimand): Half an hour.

The Chair: No, no, all your time.

Mrs Ross: Yes.

The Chair: Oh, I see. Roughly an hour. Okay.

Mr Bisson: Just so that we're clear, how much time does that leave between the two opposition parties?

Clerk pro tem (Ms Deborah Deller): Could I just have a few minutes to figure that out?

The Chair: Yes. Could we just proceed. Is there unanimous consent that the time given up will be taken off?

Mr Bisson: Agreed.

The Chair: Mr Cleary.

1020

Mr Cleary: A member across the way, Mr Rollins, mentioned yesterday about the working poor, and I know there are many out there and they're proud people and the salt of the earth, in my opinion, and they've been neglected for many years. On page 4 of the minister's statement he says, "Social services will be provided to people in need across Ontario with fairness and sensitivity, respecting the diversity of our people and the varied needs of the province's regions." I would just like to get the minister's opinion on what he said and what one of his colleagues said yesterday.

Hon Mr Tsubouchi: I don't really recall the full statement of Mr Rollins with respect to your reference of yesterday. Perhaps I could get the Hansard reference.

Mr Cleary: I could stand to be corrected, but I think that he had mentioned the working poor, that there were not only the people who were on social assistance but there were the working poor in need of assistance too. Am I correct? I'm correct. He said yes.

Hon Mr Tsubouchi: I think in terms of accessing our social service programs, and certainly the child care area as well, that we have to take into account people who are the minimum wage earners, because quite often they're disregarded and we concentrate on people who are on social assistance. I think you're certainly bring up a very good point, that we have to have accessibility, because these are people who are contributing right now—

The Chair: Just one minute, Minister. Could I just have a little bit of quiet, please, and have fewer meetings within the committee so that I can hear the minister.

Hon Mr Tsubouchi: In any event, I think that you're bringing up a very good point, both you and Mr Rollins, in terms of making sure that our social services are accessible and affordable for people.

Mr Cleary: One thing that was mentioned in this committee was that there were jobs out there. I somewhat disagree with you that there are many jobs out there. In our part of eastern Ontario there aren't, because I know that people have been into my constituency office and they've tried everything and they would take anything, even try to raise their families on minimum wage. But I do know that some of them who are on minimum wage are having very difficult times. I am pleased if you're going to look into that. I've been a supporter of that for many years, subsidizing the working poor trying to raise families.

Hon Mr Tsubouchi: I think you're really putting forth a view that's held by many people in this province. Certainly, Mr Rollins has said this many times—many of our caucus members, many of yours as well—that we have to make sure that the people who are working on minimum-wage jobs have accessibility as well to our programs and to the services of the province.

One of the things of course that we've been talking about is totally unrelated to the fact that we want to have more accessibility, but certainly in terms of the barriers to growth and your comment about jobs, there are a number of issues that the government has tried to deal with already to restore some sort of atmosphere in which to plan some growth in jobs in this province. Certainly Mr Eves has outlined many, many of them already. But

you're right, I think we have to pay more attention to some of the people who are having difficulties but aren't on social assistance as well.

Mr Cleary: Getting back to child care, where I left off yesterday when we couldn't hear ourselves here any more, in your opinion—

The Chair: Let me just say this again: Could we just have a little bit of quiet, and could you speak a bit louder for me, because I know sometimes when the minister even asks his staff to respond, the staff haven't even heard what the transactions are. So could we speak a little louder and keep it a bit quieter, please. Thank you.

Mr Cleary: On child care, in your opinion, what is wrong with the current Day Nurseries Act?

Mr Bisson: That's a good question, actually.

Hon Mr Tsubouchi: That is a good question. I think it's more what's wrong with the system than the legislation. The legislation only supports what the system has in place. Once again, the real difficulties that the system has today are, I believe, having enough accessible and affordable spaces and having some parental choice.

Certainly one of the problems that we've had was the fact that with the policies over the last five years the commercial spaces have dwindled substantially. They've been told that there's no place for them in child care in the province. I think that we need to restore some balance to that, that in fact yes, there is a need for both sides of the equation here, but let's have a balanced approach and have more parental choice.

Mr Cleary: Are there any other reasons why you want to change it?

Hon Mr Tsubouchi: Once again, I think that begs the question of the process. The basic reasons, as I outlined, as to why we think the system's not working, the hows and specifics and a lot of other issues that come from people who work in that particular industry are issues that are being raised right now in the child care review. I think there are going to be a number of issues and a number of recommendations that will come out of that child care review, but the reason for all this is generally the accessibility and affordability, and a balanced approach and more choice. I think these are things that we really need to have in our system today.

Mr Cleary: In your opinion, will the changes make it weaker or stronger?

Hon Mr Tsubouchi: That's one of the reasons why we're going into the consultation process. We want to make things better. I think that's very key to what we want to do in this government. That's why we're consulting with the people who are working in the area. That's why we're having the advisory committee. That's why we're also having other consultations and visits. We're having a number of vehicles in which to get input into how to improve the system. Ultimately, whatever comes out of it, the aim is, and I certainly hope the goal achieved will be, an improvement to the way child care is in this province.

Mr Cleary: In the youth jobs corps what are community service activities? How do you define that?

Hon Mr Tsubouchi: With respect to the youth jobs corps, we really haven't spent a lot of time in developing this particular program. I think I indicated that a couple

of days ago, that we are actually working on a number of issues right now. Particularly when you talk about community improvements, that'll be in the envelope of workfare. So in terms of the youth jobs corps, we haven't really spent a lot of time right now in that development.

Mr Cleary: You had mentioned, probably yesterday, that you want our input on this. What do you mean by that? Do you want proposals? What do you mean by that?

Hon Mr Tsubouchi: Sorry. On what?

Mr Cleary: On the youth jobs corps.

Hon Mr Tsubouchi: The government and certainly our ministry really look for input from all MPPs. If you have some ideas in terms of the direction that you want to take with this, some suggestions, I'm certainly open to meeting with you and listening to you. I've often said that our doors are open to all parties. We all want to make the province better somehow. If you have some means to do that, certainly I'm willing to talk to you about it.

Mr Cleary: So if we had any suggestions, we'd direct it right to you as minister?

Hon Mr Tsubouchi: Absolutely.

Mr Cleary: Okay. What are your plans in case of a strike? What services do you consider must be delivered in case of a strike?

Hon Mr Tsubouchi: I'm going to call out to Lynn MacDonald to come up, but just as she's coming up to the microphone, you're well aware that in terms of deciding what essential services should be provided, there's an agreement with both the union and the government to come to some sort of idea in terms of what those essential services will be. In fact, I think that we've had some sort of agreement on that. Lynn, would you like to give some details?

1030

Ms Lynn MacDonald: Certainly, Minister. Lynn MacDonald, ADM for corporate services. The ministry, in the event of a strike, will be offering services in three categories: essential services, mandatory services and other priority services. Let me explain what those are.

Essential services are negotiated essential and emergency services that bargaining unit members will provide during a strike despite the fact that their sisters and brothers will be on the picket lines.

Mandatory services are services that Management Board Secretariat requires that all ministries provide.

Other priority services are services that our ministry has decided are necessary we provide during a strike because they relate to our core functions.

Essential services, the ones that have been negotiated with the union, include delivery of general welfare assistance, and delivery of family benefits assistance including handicapped children's benefits. It will include the operation of the computer systems that support family benefits and that support general welfare assistance. It will include probation services.

Although at slightly reduced levels, we will maintain services that are required to ensure the protection of life, health and safety, and of course to prevent any disruption to the administration of the courts. Under children's services, we will be providing adoption disclosure for

emergency medical reasons or where a it is deemed a child might be at risk; also, emergency licensing decisions for homes under the Child and Family Services Act.

Within ministry facilities, the following services have been deemed to be essential and these apply not only to developmentally handicapped facilities, but also to the two children's facilities we operate directly and to young offenders' facilities. They include care of clients necessary to ensure protection of life, health and safety; care and control of young offenders; transfers to and from courts for young offenders; maintenance of buildings and equipment that is necessary to prevent their destruction in the case of young offenders' facilities, or serious deterioration; payments to individuals under vocational rehabilitation and under special services at home.

Those would be the essential services that we've negotiated with OPSEU.

Mandatory services then include services related within the ministry to health and safety requirements; payroll benefits and statutory services for management, excluded and essential services workers who are required to work during the strike; the capability to issue some manual cheques in the case of an emergency adjustment required to an FBA recipient; and the management obviously of strike issues before and during a strike.

The last category, the category of other priority services which the ministry itself deemed necessary to our functioning, includes the full functioning of the minister's and the deputy's offices in order that the affairs of the government may continue; services to fulfil legal obligations, for example, audit work that we do on behalf not only of ourselves but the federal government to ensure cost-sharing agreements are fulfilled; adoption orders, when delay would put a child at risk, and probation reports required for the courts.

Then there's a list of services that are more in the nature of support services to ensure that the actual mandatory and essential services can continue. They would include financial services to enable payments to clients and to suppliers, of course, and to provide urgent payments to vendors; distribution of social assistance payments, that is, the actual getting out of the cheque where they are not done by electronic deposit; conducting of hearings of the Social Assistance Review Board for up to three weeks after the commencement of a strike; issuing interim orders for social assistance by the Social Assistance Review Board; development but not implementation work on the automating social assistance project which has been discussed by committee members earlier; responses to strike-related workforce discrimination and harassment complaints; and investigations on allegations of client abuse either within our own directly operated facilities or where we're required to provide investigative assistance to our transfer payment partners.

That would be the full list of the services the ministry would continue to provide in the event of a strike.

Mr Cleary: I just wondered, would we have to get your remarks out of Hansard or would we be given a list of that in our constituency offices? I know that if there's a strike, we're going to share your problems.

Ms MacDonald: Perhaps it might helpful to explain that the overall leadership for planning in the event of a

strike is led by Management Board and Management Board Secretariat for the entire Ontario public service. Our ministry, Community and Social Services, has been working very hard, not only with the union to settle an agreement on the essential services work that will continue and to select the workers through a random draw selection process who will be at the job sites in the event of a strike, but we've also been working with Management Board and our colleague ministries to ensure that we have a really thorough system of communication with the public in the event of a strike.

There will be public service announcements which will list all of the key services that the public may continue to expect to be offered. I'm not sure what the timing would be on that, but it would be both immediately before, assuming a strike vote, and throughout a strike.

In addition, if it would be helpful to members of the committee, we could make an abstract of the document from which I've been speaking and make that available to you.

Ms Lang: If I could just elaborate a little bit on that, the Speaker's office will also be orchestrating, as I understand it, specific communications to go out to MPPs' offices, so that you will know all the services available across the entire government in terms of the essential services. There will be a communiqué coming out of the Speaker's office to support MPPs in their constituencies.

Mr Cleary: I hope we would get something like that. I hope we wouldn't get a 1-800 number that you can't get an answer on and it's bogged down. We've had some awful experience in the past.

Hon Mr Tsubouchi: It's important that you get the message in terms of what services will be available. Certainly, as Ms MacDonald has indicated, we will certainly assist you from our ministry and I understand the Speaker is going to provide that in addition to what we will provide you with our ministry.

Mr Cleary: Thank you. My next question: I wondered, was it a commitment on your part yesterday to table a list of local agencies that were forced to close because of the June cuts? Are we going to be able to get a list of those agencies that are involved with your ministry, local agencies, local—

Hon Mr Tsubouchi: That's news to me.

Mr Cleary: I thought it was touched on yesterday or the day before. If not, I'm putting it on the table now.

Hon Mr Tsubouchi: Okay, that's fine, I knew you were going to do that. Perhaps we can get Sue to discuss that a bit first.

Ms Lang: We do not have a final list at this time because most of the agencies that have been affected by budget reductions are making various and sundry rearrangements. Not all agencies receive total funding from our ministry, so there are a whole range of funding arrangements that many agencies have. We do not have a final list at this point in time because we are awaiting the deliberations of the various boards across the province. We may not know that until well into the new fiscal year.

Mr Cleary: I've sat in on a number of their meetings, and groups that are very familiar to all members have

told me that they're going down the tube, right from Big Brothers and Big Sisters on down to a lot of other—not that Big Brothers and Big Sisters will go down, but they're having a terrible time. There are some others that are in terrible financial problems being that the province cut back in June. I know I've sent letters off to the different ministries asking for their input, but anyway, the answers haven't been too favourable.

I think my colleague wants to talk about young offenders.

1040

Mr Michael Brown: An important function of your ministry that we haven't explored very much is your responsibilities vis-à-vis the Young Offenders Act. As seems to be our way in opposition, we seem to be somewhat confused by the direction of the government and perhaps you could help us.

We understand from various statements, both in your election document and elsewhere, that we are to see boot camps in Ontario and we're wondering what steps your ministry has taken, where these facilities will be, how many young offenders will be in them, what the additional cost or cost-saving, which I find difficult to believe, would be in turning young punks into tough young punks.

Hon Mr Tsubouchi: I don't believe that's the particular aim of any type of discipline program. As you're aware, on November 20 of last year, my colleague the Honourable Bob Runciman, the Solicitor General and Minister of Correctional Services, announced the appointment of a "task force of community leaders and members of provincial Legislature to develop a strict discipline program for Ontario young offenders."

He indicated as well that the government's interest in the program once again is tailor-made for Ontario, and I want to get that out front first. We want to look for solutions that are tailor-made for Ontario before we start having other directions and jurisdictions pointed at us, "that would expose the young offenders to the concepts of discipline and personal responsibility."

The task force is to "establish standards for security, work and basic skills training to maximize the self-worth and rehabilitation of young offenders." They are to "review Canadian and international models for strict discipline facilities," and that's one of the reasons I wanted to say up front that we're looking for a solution that's tailor-made for Ontario. We are looking at other jurisdictions to see what the best out of these other jurisdictions may be. The task force is to "make recommendations on how a program of strict discipline should be tailored for the effective custody, management and treatment of young offenders."

"Strict discipline programming for young offenders has recently been introduced in Manitoba and Alberta. Programs typically emphasize fundamental values such as personal accountability and self-respect in a highly structured atmosphere of rigorous physical discipline."

The task force is to be chaired by Gary Carr, who is the parliamentary assistant to Bob Runciman, and co-chaired by Janet Ecker, my parliamentary assistant, who has a huge workload.

For your information, other members who are sitting on that particular committee, and it'll give you a good sense, are Norman Inkster, who is the former commissioner of the Royal Canadian Mounted Police; the Honourable John Seneshen of the Ontario Court (Provincial Division); Archie Ferguson, former commissioner of the Ontario Provincial Police; London criminal lawyer Norman Peel, QC; Franco Fragomeni, the supervisor of psychological services at the Belleville General Hospital; and Gary Allan, former special programs coordinator of the Brockville Psychiatric Hospital.

My colleague Mr Runciman also indicated that new programming recommended by the task force will be implemented from within the current ministry budget allocation. The expectation is the recommendations are to be back by this spring.

Mr Michael Brown: I am constantly amazed. You know, you don't use the words "boot camp." Boot camp is specifically what you talked about in your election campaign. I'm amazed that the Minister of Correctional Services is taking the lead in this as it is your ministry that delivers the programs.

Hon Mr Tsubouchi: Oh—

Mr Michael Brown: No? Am I wrong that way? You can help me with that.

Ms Lang: I could, yes. The young offenders system in the province is split in two. The Ministry of Community and Social Services assumes responsibility for probation, open and secure custody for young people between the ages of 12 and 15. The Ministry of Correctional Services has responsibility for that same range of programs—probation, open custody and secure custody—for young people between the ages of 16 and 17. So there is an interest on the part of both ministries to ensure that whatever the task force comes up with, we look at its applicability to various ministries and to the appropriate age range in terms of the programming that does work and makes sense for those young people.

Mr Michael Brown: In other words, it may be, depending on the district court, that somehow you need—which also amazes us, because you seemed to have a very clear idea of what you were talking about before the election. It may be your ministry isn't affected at all, because it may be the decision that the young people who are in your custody are not affected because of the age groups. That could be.

I guess why we're interested over here is, because media reports and information we have indicate a varied experience around the world with this sort of approach, we as members of the Legislature have the opportunity to review the report that is being compiled by Mr Carr and his committee so that we have some sense of the information that the government is going to use to move forward with this particular program.

I think it's unfair to Ontarians to ask them to buy into a program that they are not being provided with the same information that the government is using in developing this. It's unfortunate, but this entire issue seems to be more one of political spin than of reality. We would, certainly in the opposition, expect that this be tabled with the Legislature and with the people of Ontario. Do we have that commitment from the government?

Hon Mr Tsubouchi: Just to comment first on your prior statement, I think the reason why this task force is taking place is certainly to ensure that any implementation of a direction that might have been taken during the election is done properly, in an effective way and in a way that has results. I think really the direction for what we're trying to do in this government is to be a lot more results-oriented and of course make sure that we have done the proper research.

In terms of process, I'm sure the acceptable process, whatever that may be, that is followed in government will be followed. Whatever the proper steps are to be taken will be taken.

Mr Michael Brown: Do I have a commitment from you that the report will be tabled with the Legislature?

Hon Mr Tsubouchi: No. Actually, what I'm saying to you is that, first of all, corrections has the lead on this. Secondly, whatever the appropriate procedures that are there will be taken. I can't give you a commitment on this. I can certainly discuss some of the programs we have a lead on. We're working with them on this, but I think this is a discussion you're going to have to have—

Mr Michael Brown: That is totally incredible. Why is it so difficult to say, "We will provide the information we're basing the decision upon"? It's beyond belief.

The Chair: Thank you, Mr Brown. The 30 minutes are up. I'm just going to ask at this time that the clerk explain to you what time is left out of the estimates; where we are at with the timing with the estimates.

Clerk Pro Tem: We started out with five hours and 20 minutes this morning, which gave each party roughly an hour and 46 minutes and several seconds. If we go until 12:05, we will have used three hours of that five hours and 20 minutes. The government started out with an hour and 46 minutes and used 10 minutes, which left an hour and 36 minutes which they are giving up. That would leave us at 1:30 with 44 minutes remaining. And that is if the committee agrees to go to 12:05, only to make my numbers rounded.

1050

The Chair: Then meaning the sharing would be about 22 minutes on each side. Then carrying it a bit further, Housing would be 44 minutes beyond 1:30. Is that agreed upon? Then we'll give notice to Housing to be here 44 minutes beyond 1:30, to whatever time that takes us.

Mr Michael Brown: That's 2:14.

Hon Mr Tsubouchi: Mr Chair, I assume you can't just carry through after noon. Do you have to adjourn and come back at 1:30 or can you not just carry right through?

The Chair: Again, it would be up to the committee what they would like to do.

Interjection.

The Chair: Carry through the 44 minutes?

Hon Mr Tsubouchi: That would certainly help my schedule, because I didn't realize we were going to go—

Mr Bisson: Yes, that's fine. And if you answer our questions, we might even finish earlier.

Mr Cleary: Just say yes to everything.

The Chair: Go ahead.

Mrs Ross: We just need to check on something. Apparently there was some sort of meeting that may have been scheduled. Could we continue on and then I'll—

Mr Bisson: Yes, okay.

Mrs Ross: We're agreeable to doing that, subject to, you know—

The Chair: Let's proceed again then. We've reached stage 3. I presume there's a stage 4, so it's the New Democrat—

Mr Bisson: It's this New Democrat first. I want to get back to a discussion you were having with our critic in regard to the whole question of core services, because if I understand you correctly, what you're saying is your ministry is now consulting with various stakeholders who are delivering those core services to children, but I'm not quite sure, what is it you're consulting for? You're saying on the one hand you're not giving them any direction about making any changes to core services but they're out there consulting on something. So what are you consulting? What are you trying to achieve here?

Hon Mr Tsubouchi: Well, I think the basic mandate is to provide a policy, a legislative and a fiscal framework for social services.

Mr Bisson: Can you say that again? Sorry?

Hon Mr Tsubouchi: It's to provide a policy, legislative and fiscal framework for social services in order to manage better a more affordable, more effective system of social services, based on incentives for economic independence—I'm talking about the whole system now, because we're talking generically first—and assists in giving essential supports for those most in need.

Mr Bisson: But let's be clear here. If I was the Minister of Community and Social Services and I was out there consulting on something, in normal practices both within business and the public sector you would say: "Here's the objective I'm looking for. I want you to cut 10% of the total amount of money spent by those agencies. I want to make legislative changes that do" whatever. You would give them some kind of direction to say, "This is the work that I want you guys to look at so that you can recommend to me, the minister, the changes that I need to do in order to make that happen and at the same time keep in place those services for children."

I guess where I'm having a problem is that I wasn't worried until this morning, quite frankly, until I started hearing your answers, because either you have no idea where the hell you're going or you do know where you're going and you don't want to tell us, to be real blunt.

Hon Mr Tsubouchi: I think the difficulty here is that if you focus on saying that the primary purpose of all this is to save money, that's not the primary focus that we should be having. The primary focus is to try to make the system better. If I can just put this in perspective in terms of what I'm really saying, I think the problem is that we have to focus on the flaws in the system and how to restructure the system to deliver the best services for the best price—if I could just finish. The question here in terms of our advisory committees is, how will the system be structured for them, and what are the elements of the system that they need to have in place? That's the framework in which we're talking to them.

Mr Bisson: But that's a bit of an apple-pie statement. Unless I fell asleep since June of 1995, it seems to me that your government's whole idea—

Interjection: During the election.

Mr Bisson: No, I didn't fall asleep during the election; I got re-elected. Unless I fell asleep, it seems to me the mandate of your government—I shouldn't say "the mandate"—the direction that your government is taking is to reduce the overall size of the deficit of the government of Ontario to a zero deficit within four years—

Mr Baird: Five.

Mr Bisson: —or five years, depending; all right, five, that's fine.

Let me come at it this way; we'll come from a totally different direction. Is your ministry expected to participate in the reduction of the deficit and do your bit?

Hon Mr Tsubouchi: Actually, we have been, as you're quite aware. We've taken quite a bite already.

Mr Bisson: So you've taken a bite. But do you, as a minister, expect that your ministry will have to give up more money to the Treasurer, to our Finance minister I should say, in order to reduce the deficit? Do you expect more money to leave the Community and Social Services budget?

Hon Mr Tsubouchi: I think that all ministries have to participate in whatever the fiscal targets are.

Mr Bisson: So the answer is yes.

Hon Mr Tsubouchi: But I think—

Mr Bisson: No, is the answer yes, you will be giving up more money of your budget in order to balance the deficit?

Hon Mr Tsubouchi: I think that's probably likely.

Mr Bisson: Okay, probably—

Hon Mr Tsubouchi: But, if I might say, there are many opportunities here, and you must be—because you're experienced, you've been in the Legislature for a long time—

Mr Bisson: But that's why I'm asking you the question. I'm going around it this way, obviously, because I'm bringing you down a road here. If it's clear that the government wants to be able to reduce the deficit and balance it over a period of five years, your ministry is going to have to take part in that and you're going to have to give up your share of the money from your ministry in order to get Ernie Eves to balance his budget in five years.

That being the case, you, as a minister, have to make a number of changes within your ministry. If I was the minister, I would have to do the same. I understand the process. I've been there before, and I've also got the T-shirt. The point I'm getting at is that a little while ago you said that when it came to core services you have a committee out there that you're consulting with in order to take a look at how you can better serve the clients of that particular area. I guess what I wonder is, is the premise in order to balance the deficit? Is the premise that you know you've got to give up money, so therefore you're going to these people and saying—

Hon Mr Tsubouchi: No. The premise, the primary purpose of this whole exercise, is to make the system better.

Mr Bisson: Okay. You're going to have less money, though.

Hon Mr Tsubouchi: Look at what you have in the system now, the duplication in the system, the costs that

are allocated to administrative and overhead costs in a lot of the organizations out there, which is money really, and most of it should be put towards direct services to people out there. These are some of the issues that have been raised by these organizations.

Mr Bisson: I think on that point we all agree, because, quite frankly, if we had been the government, we would have been looking at the next big challenge after long-term-care restructuring, which was to go into children's services and find a way to make an integrated model that's easier for people to access. But there's a difference in going into that and saying that your stated aim is to make access easier and to make it more affordable or—

Hon Mr Tsubouchi: And less confusing?

Mr Bisson: Yes, I don't disagree. But if your premise is to go in here just to reduce money, I think the approach of the axe to the restructuring is a little bit different. That's what I'm trying to get a sense of from you. You're telling me this is not a deficit-cutting exercise.

Hon Mr Tsubouchi: I'm telling you the motivation here is to make the system better.

Mr Bisson: But this is not a deficit-cutting exercise that you're undertaking with children's services?

Hon Mr Tsubouchi: What we're trying to do here is find efficiencies in the system right now. There's a lot of wastage right now in the system, and this is what's being told to us by their organizations.

Mr Bisson: But I want you to assure me and I want you to assure other people out there who rely on your ministry and those particular services that when it comes to core-mandated services that you have to deliver under the act that you find yourself, you're not undergoing this restructuring on the basis of having to give Ernie Eves more money in order to fulfil your promises in the last election.

Hon Mr Tsubouchi: The reason for this advisory committee and restructuring exercise is to make the system better.

Mr Bisson: All right. So you're telling me it's not on the basis of trying to reduce the deficit; it's on the basis of trying to make the system better.

Hon Mr Tsubouchi: Our motivation for this is to make the system better.

Mr Bisson: All right. So let's say that you go through this process and you find in the end that a certain part of the system needs more money. What would you do? That might be the case; I know, and you know as—

Hon Mr Tsubouchi: In fact, it may very well mean that.

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Mr Bisson: All right. Are you prepared as a minister, let's say for an example, on the question of children's treatment centres—I was involved in that, and I'm sure that you're aware of the whole review that went on about how they're funded and the inadequacies of funding that you alluded to yesterday. If the question is that we need to change the funding formula, we need to change the funding structure in order to be able to recognize that—I'm not saying specifically, but generally—you're saying that you as a minister would be prepared to put extra dollars into these services if they're needed.

Hon Mr Tsubouchi: I think we have to look in terms of the envelope we're working from in the ministry budget, and there probably has to be some adjustment to deal with issues just as you're talking about right now: What do we find are our priorities right now in government? So in other words, maybe there is a reinvestment.

Mr Bisson: But there's the key thing. You've said a couple of things that worry me a little bit here. You talked about priorities, and I guess we can argue that everybody wants to have priorities in government, but you talked about legislative reform. When you talk about legislative reform when it comes to core services that we have to deliver under the act, that tells me you're up to something. Does that mean you're going to diminish the role of the province and your ministry when it comes to the services children are entitled to now under the act?

Hon Mr Tsubouchi: I think you're attributing a lot of direction or ideas to us right now when we're really in the consultation stage. We're going to depend very heavily in terms of direction from this particular area.

Mr Bisson: I want to wish you well. I truly want to wish you well, because you'll be the first minister in this government, if you achieve that, to actually have gone through a consultation. Our experience has been, under Bill 26 or under Bill 7 or in anything else that you've done, that you haven't been spot on when it comes to working with the community groups out there and consulting with them and trying to do real reform.

If your government is prepared to do the kinds of reforms that need to be done, that I think all sides of the House can agree on, which means we look at how we do things and we modernize our programs to recognize that we're in the 1990s, with the aim of making them more efficient but at the same time remembering that we need to provide those services, I'm all with you. But if the aim of this is to just strictly cut and burn, I think that's where the rubber will leave the road. I'm trying to get a sense of what your approach is. You're telling me it's a restructuring; it's not a slash-and-burn approach that you're taking.

Hon Mr Tsubouchi: Our whole aim here is to work with the communities to come up with a better system. I'm sure you're familiar with the London model that they're looking at.

Mr Bisson: Yes.

Hon Mr Tsubouchi: I had the privilege of seeing a presentation by the group. It's actually a very proactive and very progressive model of how the community can work together to try to come up with some solutions that try to make a better system. I think what's interesting about the London model is that it has really the backing of the community, the transfer agencies involved with it, the local council, our three MPPs up there, Dianne Cunningham, Bruce Smith and Bob Wood, and also Marion Boyd. Marion Boyd is very supportive of this particular initiative.

Mr Bisson: But you can also take a look at the model they've done up in the Cochrane district. How much time do we have left in our caucus?

The Chair: You have until 11:25.

Hon Mr Tsubouchi: You have plenty of time.

Mr Bisson: So I've got a couple of minutes.

Hon Mr Tsubouchi: If I could just say something on that. We're trying to be very proactive and very consultative in this area. We're going to have another meeting shortly with the London model coming up here and with the ministry and I have invited, you might want to know, all four MPPs, including Marion, to come and sit at the table. It particularly interests her because it's her area. She has been involved with it and she's very supportive of the model.

Mr Bisson: If I'm a little bit sceptical, it's because I'm talking to people I've worked with when we were in government in the area that your ministry touches and I am not getting from anybody that there's any consultation going on. Quite frankly, they're worried about what's going to happen because they have no idea what's coming down the pipe, and you're sitting here in estimates telling me that you're consulting. I'm a little bit worried. I've just got a couple of minutes and I want to turn—

Hon Mr Tsubouchi: Mr Bisson, before you leave that, you're striking upon something that's very important. Sometimes, at the local level the local organizations haven't had communication from the organizations that we're dealing with right now. I can only encourage the local organizations, through whoever their MPP is, to discuss this and get them to talk to the umbrella groups. We do have a list that I'm going to table for you of the organizations—

Mr Bisson: Thank you very much. That was my next question.

Hon Mr Tsubouchi: If I could just give you the sense, because I know this is of interest to other members too.

Mr Bisson: No. You read that yesterday, and I appreciate that. I will go back and talk—

Hon Mr Tsubouchi: Actually, not this list; the other list.

Mr Bisson: I appreciate your tabling that, because I will go back to my local groups and those that I deal with in northeastern Ontario and find out if that's happening. It worries me that people at the local level don't know what's going on. I know how difficult it was, when we were in government, even trying to do it in a very open fashion, how people sometimes feel out of the process. So we'll leave it at that.

Hon Mr Tsubouchi: I think that's an important process that we're going through.

Mr Bisson: So I can now be somewhat assured, is what you're trying to tell me, that the restructuring we're going to see in children's services is not driven by a need to get Ernie Eves's money in order to meet your promise of balancing the deficit.

Hon Mr Tsubouchi: You can appreciate that what makes this ministry different from other ministries is that we deal directly with people as opposed to institutions.

Mr Bisson: You're telling me.

Hon Mr Tsubouchi: The reason why we're looking at restructuring right now is to provide better services. That's what's driving this whole process, to make the system better.

Mr Bisson: Can I ask you a very short question? Then I'll pass it on to my friend Tony. Do you plan on introducing any user fees in the services that they now deliver through your ministry? Is there any plan? I hear there is

some discussion about people who deliver services at the local level that are funded by your ministry.

Hon Mr Tsubouchi: There hasn't been a lot of discussion on this in a while.

Ms Lang: I could comment on that. The question of user fees is certainly something that needs to be sorted out, because the ministry does in fact have a variety of funding mechanisms now, some of which do include user fees, and it's all over the map, quite frankly. Part of what we need to sort out is, is there a funding policy that would rationalize the responsibility for individuals to contribute to services where that's appropriate? Right now we do not have a policy position on that.

Mr Bisson: So it is something that you're looking at?

Ms Lang: It has to be sorted out, because—

Mr Bisson: But "sorted out" means to say you're looking at it, right?

Ms Lang: —if we're going to restructure children's services, then we need to restructure children's services in a way that rationalizes how they're funded.

Mr Bisson: There have been user fees introduced in the municipal sector now, broader powers for a municipality to charge user fees. That kind of approach might come into children's services or services to the disabled community or whatever. That is a possibility?

Ms Lang: I'm sorry. I missed the question.

Mr Bisson: I'm saying that under Bill 26 you gave the municipalities—not you, Minister, but your government did—broader powers to charge user fees. That's a decision of your government, and you will let the voters decide what to do with that after. What I'm asking you is, do you expect to give groups that deliver services to the disabled community or to the children's community, people who are delivering services to children, broader powers to charge user fees?

Hon Mr Tsubouchi: Actually, I think what the deputy is saying is that it's a hodgepodge that exists currently.

Mr Bisson: I understand that.

Hon Mr Tsubouchi: There were user fees that were charged under your government.

Mr Bisson: There's a hodgepodge, but there's also—

Hon Mr Tsubouchi: That's what she's trying to say, that there's got to be some sort of rationalization to what's out there. There are a number user fees that exist that were introduced by the former governments.

Mr Bisson: We all recognize that, and the Liberal government before us and ourselves didn't do a whole bunch when it came to increasing the charges or user fees that people have to pay for accessing those services. There are some that already exist. But when I hear that you're looking that over, is it with the aim to say, "We're going to give them broader powers to charge user fees for those services"? Is that where you're going with this?

Hon Mr Tsubouchi: I think it's trying to understand what's out there right now. Just like the programs to develop, so are the fees out there, and there is no rhyme or reason to them.

Mr Bisson: We'll come back to that after. My friend Tony here has some questions.

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Mr Tony Martin (Sault Ste Marie): First of all I wanted to let folks here know that the minister has been

very gracious. Some of you were here two days ago when we had this discussion about Community Living Algoma, the closing of the group home and the integrated day care centre and the concern I had for those very vulnerable people and that we needed not to be doing that, because in the Common Sense Revolution you said you would not touch programs or hurt programs for handicapped people. The minister has actually made an effort for his office to get hold of the office of Bud Wildman and myself and we're meeting on that next Tuesday.

I want you to know that for me that's a little light in a great amount of darkness at the moment, because there's lots of fear and trauma and trepidation out there in communities as we look at the very difficult financial situation that has been painted as life has unfolded and as your government has become more and more aware of how difficult it's going to be for you to meet some of your financial targets, the targets that were laid out in the Common Sense Revolution and throughout the election.

I asked you on Tuesday, and I didn't really get a chance to follow up on it because we were so focused on the specific issue, how you reconciled on one hand—it seems to me the premise of the Common Sense Revolution and all the cuts that are taking place, and there are massive cuts happening across the board in every ministry, is that the economy is not well and that it needs to be stimulated, to be jump-started into creating more jobs and providing more assistance to the province.

Last week I shared with you one example. I know that at the end of the year and early into the new year, as I read the financial sections of newspapers, I noticed that the major corporations in this province, in this country, are declaring historical record profits. How do you reconcile the profits these folks are making and the promise that you made to give to those in this province who are already fairly well off who, because of the profits the companies they are working for are making, will be even better served in terms of their needs at the same time? I know that the example I shared with you of the impact of this on the group home and the integrated day care centre in Sault Ste Marie is only one example. We will begin to see, as time unfolds and as the reality of the reductions begins to set in across the province, that various programs will be downsized and disappear altogether.

How you can reconcile that kind of very difficult activity that is going to impact the very vulnerable, the most vulnerable among us in communities, the poor? You already took 22% out of the pockets of those who are at the bottom end of the income scale in the province. This has also hurt the working poor. Some of the numbers you've seen fall off the welfare roll are actually people who qualified for various sorts of top-up and ancillary services because they fitted a certain category and they don't any more.

How do you reconcile, Minister, the reality of an economy that really isn't in major trouble that is, particularly for the major corporations, generating historical record profits—the fact that you promised a tax break to those in the province who are already doing okay and will be doing even better as the profit that's been generated gets spread out and shared and reinvested—with the

very difficult decisions that the people in your ministry, particularly those who are out in the trenches, are having to make around programming that needs to be done, that we've come to depend on, that actually provides a higher quality of life for those in our province who otherwise would not be able to have that; with your own obvious good conscience and ability to listen to the story that Mr Wildman and I shared with you on Tuesday and your very positive response to that with your obvious personal concern that we not hurt vulnerable people?

Hon Mr Tsubouchi: Part of that touches on what Mr Bisson was talking about earlier on. We're looking at restructuring our systems, both for the developmental services and the children's protection area, to make them a better system and find the efficiencies that are there. Quite frankly, there are many efficiencies that can be found in those areas, in terms of the administrative costs and the overheads and the duplications between ministries, in trying to make it a better system. That's our challenge right now, to somehow find and eliminate this type of duplication so we can provide more services to the people directly affected who really do need our help.

Secondly, in terms of where we want to head with our workfare programs, the intention of workfare is to really lead to a lot more self-sufficiency for people, to really give them a real hand up. I just direct you again to the employment programs we will be getting into, for which we are looking for a lot of assistance locally as well to find local solutions in employment programs.

I'm sure there are many in your area that are working, and are working efficiently. I would not hesitate to say that almost everyone in our own ridings will have a number of employment programs that are very efficient, that are very cost-conscious, that are working, but we need to have them tabled—I look to your assistance to do that as well from your local area—because we want to find the programs that work and to give them the funding to continue to get people back to work. I think that's very important.

Secondly, in terms of the community work, it's really an opportunity for people to get some training to really get, hopefully, a similar type of job experience that will carry them into some type of full-time work. From our ministry's perspective, we can do a number of things to help people we need to help, as long as you understand that when we're looking at restructuring, our motivation in our restructuring efforts is really to make the system better and to really better serve people in Ontario.

Mr Martin: Granted that your personal motivation is in fact to make the system better and to restructure so that programs can be delivered in a more effective and helpful way, my hunch is that at some point that becomes what you promised by way of a tax break particularly, and the very difficult financial situation you see yourself in; you're trying to get the deficit under control. You keep pushing it back. Initially it was going to be two years, now it's 2001, and we're not quite sure where it's going to be when the budget comes out in May; we're not sure where you're going to be.

Given that you, yourself, and your ministry want to do helpful things and that eventually all the cutting becomes

counterproductive re that quest to do helpful things at a time when in fact the economy is not doing too badly—you very clearly in your document, and the minister who preceded you from Education and Training in his opening statement, referred to this \$1 million a day that we're spending—

Hon Mr Tsubouchi: A million dollars an hour.

Mr Martin:—whatever, that we're having to borrow. The sense people have when you say that is that money is somehow going into a big black hole somewhere or a Swiss bank account somewhere or somebody's pocket. It's important to have people know and understand that any money that's spent by this government, whether borrowed or otherwise, is going to support programs that help people and, in another very interesting way, is going into communities by way of economic stimulus. There are some communities that particularly in the early 1990s in this province, would have actually gone bankrupt had there not been some source of money coming to various people in that community through various government programs that was being spent in small businesses: grocery stores and garages and all the various small enterprises that happen in communities. At some point when you start downsizing in the massive way your government is doing to reach financial goals that are almost impossible to reach—are you giving me the eye, Mr Chair?

The Chair: I'm giving you the eye all the time. I'm paying attention.

Mr Martin: Am I running out of time?

The Chair: No, you've got about two more minutes.

Mr Martin: Okay, I wish I had more time.

Hon Mr Tsubouchi: You have some more.

Mr Martin: Have you done any impact studies as to when does this become counterproductive? If you find at some point that it is becoming counterproductive and it's not helpful any more and it's going to hurt people, are you willing to go back to the cabinet table as the Minister of Community and Social Services and advocate on behalf of the people who are counting on you to make sure their wellbeing is intact, to say to your colleagues, "Hey, maybe the tax break was a mistake and maybe we should rethink it"?

Hon Mr Tsubouchi: You're raising some good points. One of the main reasons we're actually working with these groups out there, in the development of services area, children's protection area and a number of other areas, is to really work with them to find out what they really need, what they consider important to them. That has to be part of our ministry's plan to say, "Look, these are the services people really need out there and this is what we have to do to get those services to them." We can't do this without their assistance or working with them. I think Mr Bisson was quite right; it's very unusual for provincial governments to try and be successful at a consultative process. It's very difficult to do, and I'm sure you've had many efforts to do that.

We believe that by working with people through this process we'll be able to come up with workable plans that will still fit whatever fiscal constraints we have but still provide essential services.

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Mr Martin: If you find that you're not, are you willing to go back to your colleagues and say: "Listen, we made a mistake here. We're not able to do this"?

Hon Mr Tsubouchi: What I'm saying to you is with proper planning and working with them and coming up with a proper plan for the ministry, I feel that would be unnecessary to do. I understand your point and I'm—

Mr Martin: Because I say to you, Minister, that yesterday's very unsavoury violence—

Mr Preston: Obscene.

Mr Martin: Well, I wouldn't call it obscene—unsavoury violent demonstration that happened out front here is part of a very natural reaction in—

Mrs Ross: Excuse me. Smashing in doors is a natural reaction?

Interjections.

Mr Martin: It's in response to the violence that you're imposing—

The Chair: Let's stop. Let's direct some of those—

Mr Martin:—as a government in this province.

The Chair: Mr Martin.

Mr Martin: When I was in high school, I was told in my physics class that—

Mrs Janet Ecker (Durham West): You support it then.

Mr Martin:—for every action there was an equal and opposite reaction. I'm not supporting it. I'm telling you—

Mrs Ecker: So you support this.

Mr Martin: I'm telling you to expect more of it, and if in the end you're not willing to turn away from the very unrealistic program that you've set out for yourself by way of the tax break, this is what you're to expect. What they're telling you is that the impact of what you're imposing is so violent to them, emotionally, psychologically, and so threatening to them as people who want to look after themselves and their families—

The Chair: Thank you very much, Mr Martin.

Mr Martin:—and you will be responsible. You are responsible.

The Chair: We're going to move to the Liberals for their 30 minutes.

Interjections.

The Chair: Order.

Mr Martin: You don't understand the impact of the decisions you're making.

Interjections.

The Chair: Order. Could we settle down a bit, please.

Mr Martin: You really don't. You really, really don't.

The Chair: Mr Martin.

It is the Liberals' time for 30 minutes.

Mr Joseph Cordiano (Lawrence): I asked the minister a couple of things, but firstly, he may be able to help me out with some information. Perhaps the deputy would know this, more than likely. The shelter allowances that you're providing currently, could you give me a figure, an amount, which the ministry expends on behalf of individuals for shelter allowance?

Ms Lang: I'll have to ask our ADM for social assistance to come up and give you that information, if we have a breakdown of the shelter allowance component of the social assistance program.

Mr Costante: I don't have an exact breakdown with me, but it's in the neighbourhood of \$2.5 billion of the \$6-billion social assistance budget that goes for shelter allowances. We can provide the committee with a more accurate breakdown.

The Chair: Did you say billion dollars? We can't hear you up here.

Mr Cordiano: I know it's \$2.5 billion. I know that. Has there been any change that you've been able to ascertain over the last six months in that level?

Mr Costante: There would have been a change as a result of the rate reductions that occurred in October.

Mr Cordiano: That's true, but has the amount increased in any substantial way?

Mr Costante: Sorry, I'm not aware. I'd have to check the figures. Are you looking for month-by-month figures?

Mr Cordiano: I suppose if you looked at it in absolute dollar terms, the reduction would have changed as a result of the cut that was made.

Mr Costante: That's right.

Mr Cordiano: The reduction would have occurred. I think what I'm looking for is any increase as a result of that, what's occurring over the last six months. Do you notice an increase in numbers, people qualifying for that shelter allowance?

Mr Costante: The shelter allowance is part of the basic package, so almost everyone on assistance, unless they're in an institutional setting, has shelter as part of their benefit.

Mr Cordiano: I understand that. I'm trying to get at the numbers. We heard the minister tell us that the number of cases on social assistance has gone down. I'm trying to ascertain whether we can come at it in a different way and determine whether that's an actual reduction as a result of some other factor.

What you have failed to do as a ministry—you, Minister—is come here and convince us that the number of cases you cited, the reduction, was directly related to anything we would stand up and cheer about. I'm quite concerned that the reduction in numbers is not as a result of anything that's positive out there, that's occurring, as we discussed yesterday.

As well, what I'm concerned about is with respect to what your colleague the Minister of Housing might do in terms of his changes in policy, perhaps eliminating rent controls, people finding it more difficult—

Hon Mr Tsubouchi: You can save those thoughts for him this afternoon.

Mr Cordiano: We will. We'll get to him this afternoon. I'm warming up. I'm asking if there's anything you're anticipating by way of increases in the caseload as a result of more hardship, more people finding it more difficult to make ends meet.

Hon Mr Tsubouchi: I really do anticipate that we will see, I think, shortly, that the employment programs we come up with, the workfare program we have, will assist people to get back to full-time employment. The best cure or the best solution for welfare is a job and that's really where we're trying to head, in that direction. That's very important to us.

Mr Cordiano: You haven't given us any details on anything, so I guess it's fair to say that you can't answer most of the questions we have with respect to any details.

Let's talk about workfare again for just a moment. I may have asked you these questions in another way, and I don't know if this is fruitless, because you haven't provided any information that is at all useful to shed some light on what you're doing.

Let me ask you this hypothetically: What do you anticipate by way of numbers of individuals involved with the workfare program, as a universal number that you would anticipate, the population of people on workfare? What are you anticipating you have to be ready for, X number of people? Surely to goodness you must have some projection or some idea of that, so we can get a sense of the size of the program you're going to undertake.

Hon Mr Tsubouchi: I think it's going to be a substantial undertaking, obviously, because of the number of people on our caseloads.

Mr Cordiano: Give me a number. Try guessing at it.

Mr Preston: Hold a gun to his head in a month.

Hon Mr Tsubouchi: No, no.

Mr Cordiano: Of course, it's a guess.

Mr Preston: That's the way things have been done in the past—a guess.

Mr Cordiano: Well, wait a minute. I don't want to take this to a level that's less civil than we're having right now. You're the ones who said during the election campaign, "We have a specific plan for getting people back to work," and now you come before us again, I say, six months later, and you still haven't got a plan. People out there have seen one thing: a reduction in their assistance, with no alternative, nothing to turn to. That's why we're holding you in some contempt today. It behooves you to give us some sense of where you're headed, what direction you're headed in, because there are a lot of people who are on social assistance who believed you and voted for you as a result of that.

1130

Hon Mr Tsubouchi: If I could give you a sense, Mr Cordiano, one of the things I have said today is that we are looking for assistance from all MPPs to really give us a sense of what their own community does need in terms of the community programs, but also in terms of the employment programs we're looking for. It really holds true and it's open to all members of the Legislature.

This was raised in the House in the last session by your colleague Mr Bartolucci, a program that he thought might be a worthwhile program for consideration in our employment program scheme. I took the opportunity to meet with Mr Bartolucci in Sudbury. He in fact clearly has a pretty good insight in terms of why his program is one that looks like it's a very positive program.

Mr Cordiano: I'm not surprised. He's a very capable man, one of the more talented members in the Legislature.

Hon Mr Tsubouchi: He is quite a nice gentleman too. I think what you might want to do is just talk to Rick. Certainly if you have some sort of sense from him, you could certainly bring that up to me and we could work together on it.

Mr Cordiano: I'm asking you, because you're the minister. I think it's fair to ask you, since you get paid the additional dollars around here, to answer questions like that.

Hon Mr Tsubouchi: Once again, there are two points to this. The first part is the employment programs that we're looking for in workfare. We're looking for programs that are going to be cost-efficient.

Mr Cordiano: Numbers of people you anticipate would make up this program. How many?

Mrs Ecker: Why don't you wait until he announces it? It might help.

Mr Cordiano: People can't wait. People voted for you anticipating there would be something for them to do, something they could look forward to so that they'd have some hope, so that they'd get the necessary training which you promised, so that they could move into full-time employment—or part-time employment, for that matter—so that they could top up their social assistance paycheques, which you have reduced by 22% and they're having a heck of a time living on.

Hon Mr Tsubouchi: It's 21.6%.

Mr Bisson: Who's going to argue about four tenths of a per cent?

Hon Mr Tsubouchi: Then let's call it 21.6%.

Mr Cordiano: You can appreciate the reasonableness of my argument, that people are looking forward to this.

Hon Mr Tsubouchi: What I'm saying to you though is that we do need some leadership out there from our members of the Legislature, because your community itself will be involved somehow, in terms of providing us with some information about your local community and working with us. I don't care if you're a Liberal or an New Democrat or a Progressive Conservative, I think we have to work together to try to get people back to work.

Mr Cordiano: I don't doubt that there are many thousands of people who want to work with you. Let me ask you this as well, since that was pretty fruitless: What efforts are you making to work with the private sector, in addition to Rotary clubs. What are you doing to, say, include corporations, individuals who are self-employed etc in your efforts to make this program work? Are there any undertakings that your ministry has made with respect to those?

Hon Mr Tsubouchi: I've spoken to a number of groups, many chambers of commerce and boards of trade, but one of the essential elements that we're looking for is partnerships with the business community, partnerships with the community itself and partnerships with the clients who are going through these programs.

If I can just give you some indication of what I'm getting at here, what I'm saying is that some of the most successful programs that are working in the communities, whether it's your community or Mr Baird's community or someone else's community, are the ones that have successfully linked up with business as a partner. They are currently working with them already. That's why I'm saying we're looking for made-in-Ontario solutions.

Secondly, if there are programs that are effective and working—and I don't care who brought them in, whether it's us or you or the NDP—we should look and see whether or not they are linked with business and they can provide a job. That's the most important part of this whole thing: The programs must be linked to a job. You just can't train somebody for the sake of training and have an expenditure at the end of the day, and someone

who's gone through the program does not have a job at the end. There has to be a guarantee of a job or else the funding doesn't flow.

Mr Cordiano: Minister, you've been in the job now for six months. I know it's a difficult job. Quite frankly, when the Premier appointed you, I thought, well, it's going to be quite a job for someone who hasn't been in the Legislature to do. I can appreciate the difficulty you've been handed, but I think after six months it's fair to say that you now have an idea of what it was you really were elected to do and I think it's fair as well to hold you to account for some of the proposals that were made during the election campaign, and that's precisely what we're attempting to do today. I think it's also fair to expect that you could give us some reasonable answers to our very reasonable questions about the efforts you're making and be a little more forthcoming in those answers. You haven't done that, quite frankly.

The philosophy you're putting forward sounds good. It sounds as though you want to work with everyone and everyone should come in and sit down and have a cup of coffee with you and talk about it. That's great, but we're talking about thousands of communities out there, we're talking about a massive undertaking, we're talking about something that quite frankly has never been attempted in this province before. It's new. No one seems to have any idea of how it's going to work, what the numbers involved are, what the dollars involved are. No one seems to be able to answer to anything. We're quite disappointed that you can't even begin to outline the general outlines of a program, you can't begin to discuss that with us today and you simply have no idea of what it is that you're going to do. Or if you do, you haven't told us. I would have appreciated a little more in terms of the workfare program, because that was a major cornerstone of your election platform. Again, there are many people who are anticipating something positive out of this. Quite frankly, we are disappointed that you haven't been able to do that.

Hon Mr Tsubouchi: If I may, there are several points that I have brought up to give you some direction in terms of the Ontario Works program. First of all, it's a combination of philosophy and also some very germane matters. Of course, it's mandatory that all able-bodied recipients have to participate in the workfare program, and those who refuse will receive no benefits. The welfare centres will become Ontario Works centres where workers will help recipients find opportunities, and the current delivery system will be streamlined by making it less confusing and eliminating the overlap. We will work with the private sector.

Mr Cordiano: How?

Hon Mr Tsubouchi: The larger corporate sector and small business community will be asked to help fight to reform welfare by sponsoring placement opportunities and also working with us in the employment programs. The private sector will play a key role in bringing back hope to people who have been trapped in the social assistance system for such a long time.

Mr Cordiano: In terms of placement, let me try and imagine this. What do you mean by that? A private sector employer will access your office—

Hon Mr Tsubouchi: I think we should make sure we have no confusion in this, because there are two distinct areas of this plan. One area is the community improvement, the community work, that if you're not in an employment program and you're receiving your welfare cheque, you have to work for it. In that case we're looking to the private sector to assist us in sponsorships—not to work in the companies, but sponsorships from them to assist us with some funding, maybe some materials, to help promote and work in community improvement projects.

1140

Mr Cordiano: So what are you looking for by way of funding?

Hon Mr Tsubouchi: It could be a number of things. For example, there is a playground that was built in New Brunswick—not under a workfare scheme, but to give you a sense of it, the materials were provided by private enterprise, the land was given by the municipal government and people came together as volunteers and built the playground. Now, that's the role that the private sector had: It provided the materials. They could provide some of the funding you need for community improvement projects. That's the community improvement projects.

The other side of that prong, of course, is the role that private enterprise will play in our employment programs. Our employment programs, whether there are non-profit organizations sponsoring these—there's a number of them out there now—have to have distinct links and strong links to the business community in order for them to have the placement opportunities. That's the failing I see in a lot of the programs right now, that they don't have a strong element of that placement opportunity and the links to business. That's training without that important link to business, that important link to a job, that this person's going to go through this program where it requires some life skills or some technical training to get there.

Mr Cordiano: So what you're telling me is that a private sector employer is going to take advantage of these programs that you're putting together and, out of the goodness of their heart, hire these people for some period of time and provide a training program for them, at the corporation's expense.

Hon Mr Tsubouchi: No, not at all. What I am saying to you is that there are some good examples out there right now of programs that are working, I believe. Take for example, the employment program that they have in Vaughan where the organization itself—which is I think currently funded by the federal government—provides some aptitude training for people, provides some technical training for people. Then as a result of their working with business, a company might say to them, as they have in the past: "We need 100 people to work in our manufacturing plant. They need these specific skills. Can you provide us with people who have the aptitude to do that and the basic training to do that? We will hire them."

Mr Cordiano: What do you anticipate the numbers to be, the uptake of people by those corporate sponsorships?

Hon Mr Tsubouchi: That's why it's so very important for us to have those links locally, because quite frankly

Vaughan is not going to be like Algoma, Algoma is not going to be like Scarborough. There are differences in communities, whether they're rural or whether they're urban, inner-city or suburbia, and that's why we need the commitment of our legislative representatives to work with the government to do this.

Mr Cordiano: What are you going to do to give us an indication today that you have any sense that this will lead to 50%, 100% of the people who want to do this being taken up by those corporations, by this program? What hope do we and the people out there who want to access these programs have that they'll have opportunities like this?

Hon Mr Tsubouchi: I believe you struck something, a true chord, earlier on, when you said that I can't possibly invite every group in to have a cup of coffee with me and discuss their program. You're right, I can't.

Mr Cordiano: You made it sound as though you're going to do that.

Hon Mr Tsubouchi: No, you can't. I do meet with a lot of programs and people, but don't forget, I have a committee of MPPs who are working with me, who are, as best we can, very regionally representative, to assist me, because I can't do it by myself. Other MPPs who are not on the committee—

Mr Cordiano: So they're going to serve the coffee and you're going to invite them in.

Hon Mr Tsubouchi: No, not at all. I think we need to have a good community sense of what the communities need. Frankly, I think that's what the role of all MPPs should be, to assist us to find out what are the programs they need for their own area.

Mr Cordiano: What I'm trying to say to you is that you're not giving us any sense of the massiveness of this endeavour. Somehow you make it sound as though every community out there is going to be involved because you invite them in and you say: "Look, we need to do this. Take time off your busy schedules fighting global competition and making a bottom-line profit for your corporation. Take some time off doing that and do this, which is not going to require you to do very much."

I would submit to you that's either a naïve assumption on your part or an idealistic point of view. Unless you tell us, you're prepared to share with us what the system is going to look like—and in fact there are going to be a number of things associated with creating that system: There's going to be an administration, there's going to be an effort on the part of the government to make this happen. We want to know how many people are going to undertake to do that. We want to know how many dollars are going to be allocated for that purpose. These are the real questions that have to be asked.

You're not providing any indication about what that's going to be, because quite frankly you have no idea. You're still in the process of designing it, as you said earlier, and so I have no comfort level that in fact you're going to do any of those things. It's great PR on your part. You're doing an admirable job, given the very difficult position you have. You've been bombarded over the last six months by just about every group out there and everybody in the House. I think that is as it should be because you're required to do and expected to do quite

a bit. You're expected to do the impossible, quite frankly, in my opinion, unless this is all a hoax.

Hon Mr Tsubouchi: I can assure you this is a very real program. I have very real people working with me. I know that sitting in this room are people who are working with us on the workforce program. They know that we have progressed, that we are on track with it.

I just want to dwell on one thing that you said, and maybe it's the difference in our perspectives. I'm not viewing people on social assistance as somehow becoming a burden or an obstacle for private enterprise in terms of employment. It's almost like, the little slant that you had there, "What are they going to do in private enterprise to get the precious time to work with people and take these people on?" I'm looking at these people—

Mr Cordiano: Be serious, Minister.

Hon Mr Tsubouchi: I'm being serious.

Mr Cordiano: Companies are shedding workers out there, so unless they're prepared to hire these people—

Hon Mr Tsubouchi: Listen, I'll tell you, there is a need, and what we have to look at people for is the fact that they can be a very valuable human resource for private enterprise in this province. They're not going to be a burden on people. If they have received the training that in fact many of the organizations that are out there now—and some of these programs were started by the former government and by yourselves, programs that actually do work, that have good links to private enterprise. They're the ones who are saying, "We can do it." I've seen a number of them, Mr Cordiano, who say: "We can do the job. We can provide you with success ratios of over 80% for people coming through our programs."

Mr Cordiano: I don't doubt they can do the job, but today you have not indicated to us very clearly what it is you're doing to make that happen. You have given us no details.

Let me move on to another quick question. I'm quite concerned. We've had information that leads us to believe there are schizophrenic patients out there who, as a result of the \$2 that is being required of them to be paid for a dispensing fee in order to get their medication, are going to refuse to take their medication. What do you feel about that, Minister? I believe not only will they endanger themselves, there are other things that must be considered: the community at large. These patients need to have their medication on an ongoing basis, and if they refuse to take their medication because of the \$2 dispensing fee, what are you prepared to do to alleviate their concerns?

Hon Mr Tsubouchi: I would certainly hope that doesn't come to pass. I think this really begs the point that Mr Cleary and Mr Rollins were bringing up earlier on, that somehow we have ignored the minimum-wage earner in this province through the programs and non-accessibility to government programs, because with respect to the changes that were introduced by the leadership of the Minister of Health, an additional 140,000 people of low incomes will now have access to a system they were basically foreclosed from having access to before. Once again what we're trying to do is somehow level it so you have more access to people. Let's face it, if you're on minimum wage you really don't have a whole lot to really assist you.

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Mr Cordiano: Mr Chairman, there's too much noise in this room.

The Chair: Could we have some quiet, please.

Ms Lang: I think that in the interest of the disabled individuals that you were referring to, Mr Cordiano, the government did not reduce the social assistance rates for those individuals as part of the rate reduction decision of last fall.

Mr Bisson: There are some on GWA.

Ms Lang: If those individuals are on GWA, they are in fact eligible for FBA once they've been through the medical adjudication process.

Mr Cordiano: So what's being done to ensure that they make the switch?

Ms Lang: We have a very active process in place right now to ensure, by having additional medical adjudicators available to us, that we are assessing those cases as quickly as possible. We have moved a significant number of them into FBA if they've qualified.

Mr Cordiano: I hope we can expect that you would take an interest in those people who are still not on the new classification which would qualify them for that assistance. Certainly that is a concern for those people. So please make every effort to do that immediately.

Ms Lang: The minister has made it very clear to us that he wants that done, and we have pulled out all the stops to make that happen.

Mr Cordiano: Okay, with this particular group that we're talking about?

Ms Lang: The disabled individuals who are eligible, yes.

The Chair: We've just about run out of time for the Liberals. At this stage, I would say we have about 44 more minutes of estimates for Community and Social Services. There are a couple of options.

Mr Bisson: I'll make it very simple and very cooperative. We'll finish up the 30 minutes and that'll be it.

The Chair: Your rotation, that's 22 minutes.

Mr Bisson: No, it's 30 minutes. We'll finish our 30 minutes and then that will be it.

The Chair: It's 22 minutes. We have 44 minutes left, shared among two. So you have 22 minutes.

Mr Bisson: We're suggesting that we'll take 30 minutes, as the third party, and then go to the vote.

The Chair: For the third party?

Mr Bisson: Yes. We're going to do 30 minutes—that's what we had talked about earlier—because they just finished a 30-minute rotation.

The Chair: No. We were saying that we have 44 more minutes.

Mr Bisson: All right, we'll do 44 minutes. That's fine.

The Chair: We can divide it into two if we want.

Mr Bisson: We can divide it.

The Chair: We're going to divide it into two.

Mr Bisson: If you want to go 44 minutes, we can go 44 minutes; that's fine.

Mr Preston: It's 22 for you and 22 for—

The Chair: Let me clarify this before we can do that.

Mr Michael Brown: We would agree that they have 30 minutes.

The Chair: And you'll just take the rest, and then that's it?

Mr Cordiano: That would be it.

Mr Bisson: So we'll start our 30 minutes, and when we're finished our 30 minutes, that'll be it. We'll give unanimous consent to finish.

The Chair: Do you still want your recess now?

Mrs Ross: No, that's fine. Just go ahead.

The Chair: After 30 minutes, we'll be taking the vote for the estimates. The minister has advised me he has some matters to table. So we'll do it after all that.

Mr Bisson: Thank you very much indeed. Let me get through some of my papers here. There are three things I want to go through with you kind of quickly, and I'll leave the rest of the time for my colleague Mr Martin. You'd be aware that your ministry is now, along with Management Board, going through a process of closing down the Elm Street office of Community and Social Services in Timmins, because I know you care deeply about Timmins and you've been watching the goings-on in that community very closely, because I know that you're a minister that does care and you want to make sure the community of Timmins is well-served, right?

Let me explain what's going on. I'm being a little bit facetious. There was an undertaking by our government when we were government to do co-location of various ministries in the Timmins area, from Community and Social Services, the Ministry of Health, MTO, MNR and Northern Development and Mines—there was a project going on by which there is an empty provincial building called the CTRC, Cochrane-Timiskaming Resource Centre, in South Porcupine, and various ministries were being looked at in order to move from rented facilities into a provincially owned building so therefore we don't have to pay the rent and we're able to save some money.

We had started that process when we were in government. But when we had started it, we had found out fairly quickly, because the chamber of commerce, the downtown business association, mayor and council and a number of other people, mostly business concerns originally, were concerned that if we move all of our ministries from the downtown core of the city of Timmins, it will affect traffic patterns of people having to come downtown to do their business, then to go shop at the local shops etc, and there was a concern that if we move everything over that would happen.

The second thing, obviously, is the question of access for people. Downtown Timmins is well-served by a good system of transit buses. If you go all the way out to Porcupine, it would be equivalent of saying all the business of the city of Toronto is now done in Markham. It's just some people have a car and can make it and other people can't.

Hon Mr Tsubouchi: That would make Don Cousens happy.

Mr Bisson: That would make Don Cousens very happy.

But when we went through that process initially, the ministry, Management Board, when we were government, was pretty well talking to everybody about a possibility of moving there. We, because of the concerns of the chamber of commerce, the downtown BIA and others, had said: "Okay, we understand there are some legitimate concerns here on the part of the business community that

it will adversely affect traffic patterns of people coming into the downtown, and we will look at a reduced move out to the CTRC. We will look at what fits out there and what doesn't, and we'll make sure that there's some kind of a presence in the downtown area after this move has happened so that you're still able to bring people into your downtown."

What has happened because of—you know, you guys were elected and you have a mission, and your mission is to balance the budget in five years, and hopefully you won't go into reruns and syndication—this has now accelerated. Now everybody's going. The decision has been made by Management Board, absolutely everybody from the downtown core who has a ministry location in downtown Timmins is going out to Porcupine, your ministry, everything. There will be nothing left.

So I have met with Management Board people and I have met with some of your people locally and I have met with anybody I can get my hands on to say: "Listen, there are still some legitimate concerns here. The downtown core is going to be affected." But specifically to you, the clients who access your services tend to be the poorest and those with the least ability to be able to get around, because most of them don't own cars, when it comes to accessing services of your ministry, and I'm a little bit concerned about the entire move of Community and Social Services out to Porcupine. Porcupine is a very nice part of our city, but it's not readily accessible to everybody.

I know that this is not being looked at, but I'm making a request if there at least can be a commitment on the part of yourself as the minister to have your people look at what's going on in Timmins and to say, "Listen, there are some legitimate concerns." I accept that you're going to go there and I ain't going to fight you publicly on it—I've said that in my community—but I have concerns that those people who have to access your ministry, people who are either on FBA from a disability perspective or single mothers, whoever it might be, may have difficulty getting out to Porcupine, and if there could be a look at doing some sort of a storefront operation or a dropoff spot—let's say I need to drop off papers that have to go in to the ministry—that maybe you go to the municipal welfare office and drop it there. You create some kind of a partnership so that people can still do that. I'm wondering if you'd be averse to that.

Hon Mr Tsubouchi: I would certainly not be averse to meeting with you and discussing this further.

Ms Lang: Given that this is an administrative matter, I would be quite pleased to ensure that we give you an undertaking that we would look at the issues of access—I suspect that we already have—and ensure that there is that kind of capacity within the Timmins area to provide that sort of accessibility.

Mr Bisson: In fairness, people are looking at it, but I've been told as of my recent meetings with management both here and in Timmins that everything is going, there will not be any kind of dropoff, and that troubles me greatly.

Ms Lang: I think, Mr Bisson, we are quite prepared to take a look at it. I know for a fact that there are court offices in downtown Timmins and that may be a vehicle

available to us. I'm getting a very strong nod from my ADM who's responsible for the field, and she has indicated quite clearly that we will take a look at it and ensure that there is access to services.

Mr Bisson: Is there anything concrete that you—you have to come here to do that for the committee. You have to tell who you are and all that stuff.

Ms Sue Herbert: I'm Sue Herbert. I'm the ADM of program management.

As you probably know, our staff share the same concerns that you've raised, and we have undertaken to do a transportation study for our clients, both looking at where our caseloads are, where the individuals that we serve live, and what the transportation implications are for them. The staff have raised those issues with Management Board.

We are also looking at the option that I understand you've put on the table, which is the option of a dropoff point or other forms of access that would ease the transition. So we can certainly undertake to get back to you after we complete that.

Mr Bisson: Would it be easier, Minister, that I was to work with her or do you want me to work directly with your office?

Ms Herbert: Yes, work directly with me.
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Mr Bisson: What would be easier?

Hon Mr Tsubouchi: I think directly with Sue would be the best bet.

Mr Bisson: If that could be done it would be greatly appreciated. I'll say for the record, on Hansard, quite frankly, I ain't gonna fight with you on this because I recognize there are some savings to be had. I don't like it and I'm sure a lot of people in the downtown don't like it, but we realize we are living in 1995, you do have to save money, and we'll do what we can to support you. But you have to also have assurances from the government that there's also going to be some access on the part of the people in our community.

Hon Mr Tsubouchi: I think you're making a good point, because I think we have to really be cognizant of who we serve.

Mr Bisson: That's fine. I appreciate that.

Ms Lang: Mr Bisson, the challenge that you pose to us is exactly the same kind of challenge that this government has posed to us as civil servants. The opportunity for us to take a look at what other sources of government service may be available in downtown Timmins and determine whether we can give access to a range of government programs is certainly something that we're being asked to look at now. So it's very consistent with what the expectations are.

Mr Bisson: You should also know, just for the record, that the provincial courts, there may be a question of them moving out at the end of their lease in 1997, out to the resource centre as well. That's been discussed, so I think that has to be taken into consideration.

Ms Lang: But there's another court office there as well. There are a couple of them downtown.

Mr Bisson: Yes. I'm just saying there are different ways of doing it.

A couple of other things. You talked about the workfare model a little while ago in regard to the example of out east in one of the maritime provinces about the playground. I guess a whole bunch of alarms go off when we start talking about workfare. I think you're recognizing now as minister, because I think that you—I'm trying to give you a compliment, but I don't want to be too nice. I'm sure that you're recognizing that workfare is fraught with problems. There's a whole Pandora's box of issues, and I'm sure that you're feeling them quite clearly. I just want to go through some of them with you and maybe just get a general comment from you.

If we were to follow that model that you talked about, where you want to build a playground in downtown Timmins and one of the local employers gives the land as a donation and we use the people on workfare in order to do the work and the government supplies the material, I think there are a whole bunch of problems with that. I think the first problem is, who the heck's going to be liable should an injury happen on the work site? The question of workers' compensation and other liabilities is one issue, just to scratch the surface.

The other one, I think which is a bigger one, is, will the private sector see that as a pool of cheap labour? I'm sure that you're trying to turn your attention to that and I'd like to have you comment on that a little bit, because I really fear what happens, depending on how you set up the model, is that if you've got a model where the private sector employers are able to pool into the cheap labour of workfare, it'll drive down prices of wages for other workers in the construction industry or whatever it might be, and to me that sounds very counterproductive to what any government should do as far as good policy.

The other issue goes into the whole question of—and this is a philosophical one, and I'll admit it. I think you and I will part company on this one. It really smacks of we're going to go back to the good old days where community service and income replacement were seen as charity, where the employers, in order to be able to see and show themselves as being good employers and community-involved and really caring about their communities, end up doing charity in order to be able to show how good they are. I think we really open that box with what you're doing with workfare, because I think we've learned and we've understood in this country that when it comes to income replacement because people are unemployed or because people are disabled or whatever it might be, it's not a question of charity; it's a question of rights and a question of making sure that—you know, we made a decision that we weren't going to follow the same path as the Americans when it came to that whole approach.

I guess I worry a little bit in the direction you're going with workfare. I tried to ask you a few questions yesterday about the principles of what you were doing on workfare. Now, you answered to Mr Corleone—sorry, Joe. Jeez. Sometimes, I'm telling you.

The Vice-Chair (Mr Joseph Cordiano): Did he say Corleone?

Mr Bisson: I realized after—

The Vice-Chair: Watch what you say.

Mr Bisson: I think I'll end there and let you respond.

Interjections.

Hon Mr Tsubouchi: That was a good one. And people have trouble with my name.

Mr Bisson: I want to apologize to the Chair.

Hon Mr Tsubouchi: There are a number of issues. The first one is really the role of the private sector. The employment standards issues we have to look at as well; you're certainly right. The private sector: We have the two specific roles, and I think that's where it's leaving a lot of confusion in the public right now, what is the role of private enterprise in the workfare system?

There are really two roles, two distinct and different roles, for example, the one that we're talking about with the playground and that's just an example of volunteerism that was working out there. The private sector role in that area, the community work, is hopefully to sponsor projects by providing either financial assistance or materials to projects that the community wants to improve their community.

Separate and apart and distinct from that is a role the private sector will play in assisting us in terms of the employment programs. The employment programs are dedicated to providing people with real jobs at whatever the standard rate of—

Mr Bisson: Can I just interrupt? This is where I need clarification. Are your employment programs meant to be the workfare kind of projects that you talked about around the playground—

Hon Mr Tsubouchi: No, no.

Mr Bisson: —or is it something more in keeping with actual jobs with actual training in actual workplaces?

Hon Mr Tsubouchi: Exactly. They're separate and apart from community improvement projects.

Mr Bisson: It's not a question of subsidizing, of trying to put pressures downwards on the wage structure.

Hon Mr Tsubouchi: Absolutely not.

Mr Bisson: All right, okay.

Hon Mr Tsubouchi: We want to get people in real jobs through the employment programs.

Mr Bisson: I still think if part of your component of workfare is to do those community projects, most people would say on the surface, "We agree with that," but when you start to look at it, it's one of those things that really is fraught with problems, because it's something I've looked at in the past. I wish you luck. I think it will be a lot of things.

The other thing I want to ask just very quickly before I go off to Mr Martin, your government ran on the platform of creating some 725,000 jobs. That's what you said you were going to do, and the basis of that is going to be created, according to the mantra of the Common Sense Revolution, through the tax cut. Are you relying on the other part of that as being workfare? I got a giggle from the parliamentary assistant.

Mr Preston: A job's a job's a job.

Mr Bisson: A job's a job's a job.

Hon Mr Tsubouchi: I think clearly what's intended, as you well know—you're as familiar now, I think, with the Common Sense Revolution as we are—

Mr Bisson: Oh, yes, read it many times.

Hon Mr Tsubouchi: Our intention was clearly to create the proper atmosphere for job creation, and the

other side of that is that in fact what the Premier is currently doing is promoting economic development in this country through partnerships with other countries.

Mr Bisson: You're not getting to my question, though. My question is, of the 725,000 jobs, are you going to be relying on jobs created through whatever your workfare program is as part of that 725,000?

Hon Mr Tsubouchi: The employment programs we're suggesting through Ontario Works are to be really provided in partnership with business, and frankly, if you look at any other programs, even the ones you guys had that were currently in place, they work in partnership with business. It's a combination of a lot of factors, what's going to create jobs out there.

Mr Bisson: I think I'm not explaining myself well. If you put in place a program similar to Jobs Ontario where you have an actual training component and you put people in a job, I well understand that'll come into your overall numbers. What I'm asking is, with those volunteer kind of jobs where the person's given a welfare dollar in order to go out and do a community project, is that anticipated to be counted as part of the jobs you create of the 725,000 you promised Ontarians?

Hon Mr Tsubouchi: I wouldn't have thought so.

Mr Bisson: The answer's no?

Hon Mr Tsubouchi: Yes, I would not have thought so.

Mr Bisson: Okay. That's what I'm getting at.

Hon Mr Tsubouchi: I think the Premier was, and certainly we were, talking about real jobs.

Mr Bisson: The last point I want to make, and I'm raising this for all members because I think some of us might have tried to do the same thing: The Premier stood in the House last fall and challenged all us members to try to find ways of being able to find people employment by doing a number of things in regard to encouraging employment and encouraging employers to hire people on welfare.

We undertook in our riding, myself and separately through a coalition that was formed, which I think was a positive step towards trying to do what the Premier exactly asked us to do—I as a member sent letters to all of our downtown business people and said: "There are a number of people who are on welfare who are looking for jobs who are ready, willing and able to work and have the qualifications. Here's who you've got to call to talk to some of these people about getting a job for them. Please respond." Not one response. That really shocked me, because I have a very good relationship with the downtown core and with the business community in my riding. That's one of the reasons I was re-elected.

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I thought at first maybe it's because they see this as being somewhat cynical. I guess if I was a Conservative owning a business and I got a letter from a New Democrat, maybe I would be a little bit cynical too, or vice versa. So I thought, well, maybe what I'll do is I'll follow it up and I'll go visit the downtown core. What they all said to me is: "Gilles, it's not a question that we see that as cynical. The question is, we're not hiring."

Here we were going—this was in the month of November—into the biggest rush, supposedly, of the

retail season. There was really a reluctance that was twofold. There was not a lot of confidence in the future in regard to employment, as far as hiring people was concerned, because they didn't see things as significantly getting better in the economy; in fact, they were a little bit worried they were getting worse, and I think numbers are starting to show that somewhat now—not in great numbers. The second thing was that there was really a stigma attached on the part of a lot of these employers to hiring somebody on welfare.

The comments the Premier made in the House about us taking that on are not enough. If you guys are serious about breaking the dependency of welfare, I really have fears the direction that you're going in is not going to accomplish that. I think you should look at—the comment you made was you're prepared to look at what anybody has done and what has been successful. I think one of the biggest mistakes you made, because you've boxed yourself now, is that you did away with Jobs Ontario Training on the basis of it being an NDP program. I think you guys have really boxed yourself into a corner, because now whatever you do, you're sort of politically putting yourself in a box that you can't copy what we did and that was a very successful program.

Talking to employers out there, they liked Jobs Ontario. It worked. It wasn't always 100% successful, but it was in the neighbourhood of 85% to 90% successful and in any job training program that's pretty darned good. I just encourage you to go back and say, "Hey, we made a mistake here; maybe we shouldn't call it Jobs Ontario; maybe we should call it Mike Harris's Ontario," or call it the Conservative program or whatever. I don't care what you call it. I think you guys should go back and really take a look at that, because if you're going to get people back to work in the private sector, employers need the help to be able to do the training and to put these people in actual jobs and giving the employer some assistance to do the training.

Hon Mr Tsubouchi: One of the elements of certainly our trying to improve on what's happened before is really the cost per client to put them into a job. I think that's the critical element we're looking at right now. We're looking for a system that's a little more economically accountable.

Mr Bisson: I bet you're wishing you hadn't done what you did.

Hon Mr Tsubouchi: No—

Mr Bisson: I think so.

Hon Mr Tsubouchi: —I think there are programs that do work. But I think you're raising a good point, though, in terms of one of the reasons we have to view our employment programs as partnerships with business, partnerships with the community, partnerships with our clients is the fact that we have to overcome some barriers. You're quite right that there are some stigmas out there we have to look at and say, "Here are people who we have now taken and given some training to," and to overcome that barrier.

Mr Bisson: But understand what the problem is. When you put him into programs such as fixing the playground, it adds to that stigmatism. That's what I'm getting at. I think you're much better off as a province and as a

ministry and as a government to find ways of getting away from that kind of programming, saying, "It'll be actual employment with a private sector employer," or a public sector employer if that is to be the case, the case of the agencies, not direct government involved, that follows the model of something like a Jobs Ontario. I think you'd be a heck of a lot further ahead and I think employers would appreciate it, and so would the employees.

Hon Mr Tsubouchi: Actually I was talking about our employment programs; I wasn't talking about the community work. However, I believe the community work aspect will give someone some experience working. Secondly, at least someone will then have the satisfaction—

Mr Bisson: You'll give some experience, but I think it adds to the stigma—

Hon Mr Tsubouchi: —of doing some work for their cheque.

Mr Bisson: My colleague has some questions. I'll leave it at that.

Mr Martin: I just want to follow up somewhat on the discussions we had been having when everything got so heated just a while back. I am very genuinely concerned. I don't say that to try to fan the flames or pour oil on the fire. I am genuinely concerned that what you're going to get in this province is a reaction to an action that will be equal to the level of hurt that's imposed by the cuts this government is proposing, by what we hear and the announcements that are made and by what we expect because of the figuring that we've done looking at the numbers in the Common Sense Revolution and the promise you've made by way of a tax break and managing the deficit etc. I have some real concerns.

I just want you to know that I feel very strongly that you reap what you sow. If I might be so candid as to say to you, one of the things we learned when we were in government, and perhaps would do differently had we another shot at it, was that you can get yourself too far out in front of the people.

Your plans and your ideas may be good in themselves and may be well-intentioned and attempting to reach a goal all of us would want to reach, but if we don't bring people on board as we move along, if we don't communicate with people in a way that helps them understand how this is in their best interests and how it's all going to unfold, and the pieces that are part of that road, that puzzle we're trying to put together, we stand the chance of having the kind of civil disobedience that we had yesterday and that frankly we experienced when we were in government when we brought down the social contract, because we moved so quickly and it was such a surprise to so many people when we first brought it in and the process was so complicated, because we were trying to get everybody in the province to the bargaining table at one particular time, that in the end, politically certainly, it hurt us and it didn't accomplish the very, I think, high and valuable goals we were trying to achieve, which were to save jobs and to save services and to try to manage the financial situation of the province.

You've added a few things to that whole scenario. You've added the tax break, and where we had separated

operating from capital by way of—in your own home you have a mortgage for the house and the car, but your day-to-day paying for the groceries is another line of expenditure. We separated that. You have now put it all back into the one pot again and so instead of simply dealing with the shortfall re the question of how we manage the day-to-day operating, you've now complicated that by throwing the mortgage in there as well. You've created a monster. Frankly, I don't know how you're going to tame it. I don't know how you're going to get it in such shape, I don't know how you're going to communicate it and I don't know how you're going to get people on side with you such that in the end we can accomplish the things you've so very eloquently laid out in the submission you gave to us two days ago.

I'm wondering if you understand that and the question I asked you before was if in the end you find that the people you serve as Minister of Community and Social Services, those who are most vulnerable out there among us—if you will advocate for them at the cabinet table and ask your government to back away from the tax break.

Hon Mr Tsubouchi: First of all, I want to say that we just bought the house and assumed the mortgage.

Mr Preston: It's a big sucker.

Mr Bisson: It came with a limo.

Hon Mr Tsubouchi: One of the reasons you have to look at both capital and operating expenditures—and most businesses will have a consolidated statement that includes them both. I concede to the comment of my colleague here who said there's still only one paycheque that has to pay for these expenses, whether or not you expense them on the capital side or the operating side. None the less, I think what you're saying has some merit.

What we're trying to do right now is really—there are limitations there, I recognize them, but I think what we have to do for us to serve the people who really need us to help them is through a restructuring, going through this consultative process. I know I sound like a record when I say that, but I think it's very important to us to have these very real and meaningful discussions with our funding partners out there, the people who are the front-line workers, in order that we can recognize what their needs are, what they do need so we can serve them.

You're right in another way, too. We have to be able to communicate. Certainly in terms of the workfare Ontario Works idea, we have to communicate not only with the general public out there but also with the clients we will serve and give the opportunities to be in this particular program so they know what it's all about and for us to take away some of the fear, because we certainly look at it as a good opportunity for them to be assisted in either getting back in the direct job market or to attain some other skills they might not normally have.

I feel very strongly in terms of the direction the ministry has to take to work with the communities out there to provide for those who really need us, whether it's in the children's protection area or whether it's in the disabled area. It's very important for us as a government to look and help those we truly need to help. That's why our whole idea here, and we dealt with it earlier on today, is that our motivation in doing our restructuring is to provide a better system that's more accessible, less

confusing, so people who really need to get accessibility to the system get it. That's ultimately the aim of all of us. You may disagree with my methodologies and the procedures, but certainly that's what our motivation is.

Mr Martin: My strong suggestion to you, in all sincerity, Minister, is to listen to the people and to realize that the poll that came out yesterday—we all put emphasis on polls, depending on where they are; we had the same kind of polls—said to you very clearly that the people out there are very afraid of what you're coming down with; they don't understand it and you should talk to them about it, because if you don't you're going to do the wrong thing and you're going to do it too fast. The other—

The Chair: I don't think you're going to have enough time to put another point of view on this.

Mr Martin: Another line of questioning?

The Chair: This will conclude the agreed-upon time for estimates for the Ministry of Community and Social Services. I understand that the minister wants to table some information.

Hon Mr Tsubouchi: Yes. I want to table a couple of matters that were requested: the lists of the advisory group members for the children's services advisory committee and the one for the development services advisory committee, along with the social assistance statistics and caseloads that were requested before. I'm going to table that with you, Mr Chairman.

The Chair: Thank you very much. What we'll do now is proceed to the vote. We'll deal with the votes for the estimates for the Ministry of Community and Social Services. We have two votes.

On vote 701, shall vote 701 carry? Carried.

On vote 702, shall vote 702 carry? Carried.

Shall I report the estimates of the Ministry of Community and Social Services to the House? I will so do.

I want to thank the staff of the ministry who listened very attentively to some of the soft voices of our participants, and the minister himself for being here, and the deputy. We now stand adjourned until 1:30.

The committee recessed from 1224 to 1335.

MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING

The Vice-Chair: Good afternoon. We shall begin our proceedings. We have with us this afternoon for this session on housing the minister and the deputy minister and their staff, I'm sure. You can introduce them when necessary or if you'd like to introduce them at any time. We will continue with the same order, starting off with the opposition Liberals first and then—

Hon Al Leach (Minister of Municipal Affairs and Housing): I have the minister's speech first.

The Vice-Chair: I'm sorry; yes, of course. I'm so anxious to get to the questions. There will be a statement from the minister and then, I suppose, responses from the opposition members or we'll go into questions. Starting with vote 1601, we can officially start the clock. Good.

Mr Bisson: Chair, before we get started, does the minister have a printed statement that he's going to be reading from?

Hon Mr Leach: We have the copies for distribution.

The Vice-Chair: Good. Could you make those copies available? Okay, Minister, if you'd like to begin.

Hon Mr Leach: Good afternoon and thank you, Mr Chairman and members of the standing committee on estimates. I'm pleased to be here today.

What you have before you, as you know, are the estimates tabled by the last government. To repeat a well-worn phrase, that was then and this is now. We have made some major changes and we will continue to do so as we pull government out of the housing business.

Let me just start by saying I believe the housing policy foundation of this province was inadequate to meet the task at hand. Today, we're going to try and bring back a little common sense to fiscal policy, government programs and services. We're reassessing existing housing policies and making appropriate changes.

We're turning it around in several areas, focusing on our core business. I would like to outline what we're doing, but first let's take a look at where our housing policy has led us and why it is that we're getting out of some areas in the housing business.

Non-profit and co-op housing was a good idea that went bad. First, non-profit housing: The Provincial Auditor has catalogued a litany of problems with non-profit housing dating back to his 1992 annual report. I'm talking about such things as pressure to speed projects through approvals; not enough experienced staff to administer the program; unsatisfactory controls to ensure projects were built only where needed and at a competitive price; project costs going up despite the large declines in land prices and construction costs—average costs that came in even higher than those at the peak of the housing boom; the maximum price allowed by the government for each unit actually pumped up the cost of development because that was the price developers were aiming for; 25% of the projects the auditor looked at lacked approved operating budgets; multiple waiting lists for housing and inconsistent rules for tenant placement made it unlikely people would be treated fairly.

The non-profit housing program has seen major issues around land flips, gold-plated building standards, mismanagement, misappropriation of funds, conflicts of interest and fraud. There have been major concerns about program administration and other very serious problems.

Albeit that the former Ministry of Housing did make some headway in addressing concerns raised by the Provincial Auditor and the standing committee on public accounts, major problems persisted. They were outlined in the 1995 auditor's report and they're all there in black and white.

The ministry conducts its own audits on projects as well, and I'd like to cite some examples of problems from one particular audit. I want to spell out one example of non-profit housing gone wrong, where one person was involved either as a developer, a consultant and/or a manager of a number of non-profit housing projects.

In July 1994, after the audits of a few of the projects he was involved with, the ministry ordered a review of his total non-profit portfolio. The findings? Questionable procurement practices, weak financial controls, inappropriate use of ministry funds, late payment of property

taxes followed of course by penalty and interest charges, lack of reporting to the boards of directors of the projects, unreconciled balances and inappropriate payments. Believe me, the list goes on.

This is not some nickel-and-dime operation. We're talking about more than \$7 million every year in annual operating subsidies for the non-profit projects and rent supplement program managed by his company. This is excluding funds advanced while the projects were being built.

Here are just a few of the highlights of the review:

An employee of the company was charged with embezzling.

Funds were diverted from the reserves of one non-profit and used as deposits for possible land purchases for other corporations.

An extensive review of an intercompany account turned up unexplained entries.

A couple of projects had no annual income reviews of tenants who pay rents based on income.

Eviction notices were sent out but not followed up. A year and a half later, one eviction had still not happened.

For most projects reviewed in our own audit, the fact that the same contractor and architect were recommended over and over again is of concern, especially since their projects contained significant deficiencies which were not fixed and which led to two lawsuits.

There are ongoing problems in meeting Ministry of Housing submission requirements on final capital costs, annual operating budgets, base-year budgets, financial statements and annual information return packages.

It goes on and on: management misrepresentation; shoddy construction; unpaid invoices; cost overruns; a senior executive with access to all aspects of accounting, banking, cash receipts and spending; and so on. It was a horror show.

The problems with non-profit housing were widely recognized. The Liberals recognized them as well. They said that if they formed a government, they would declare a moratorium on housing allocations.

Suffice to say, there have been administrative headaches, especially dealing in subsidy payments to almost 1,000 sponsor groups. As well intentioned as the sponsor groups were, most of them were inexperienced in the housing business. And the costs are tremendous. Units brought under subsidy in 1992 cost the province an annual subsidy of \$10,000 per unit. Let me add that if all the units were completed in 1998-99, as planned, there would have been more than 132,000 units under subsidy at an annual cost of more than \$1 billion. That's \$1 billion a year. That's what the taxpayers were in for.

Clearly, what all this points to is simple: In the terms of housing policy, Ontario was moving in the wrong direction. Government has no business in the housing business. It's a fiscal sinkhole. This business should be left to the private sector, which can deliver and manage housing better and faster and more efficiently.

This is crucial, especially in a time when we're facing a provincial debt load of about \$100 billion and an annual interest payment approaching \$9 billion, the equivalent of \$1 million an hour. We have to cut spending and that's what we're doing.

As part of the government-wide spending cuts announced by the Treasurer in July, we decided to cut our approved capital and operating budgets. We took immediate action to contain our costs. Non-profit housing growth, largely in the form of operating subsidies, was going to bloat our budget, so we started cutting there.

We cancelled funding for 390 non-profit housing projects which were not under construction. We cut transfer payments to non-profits, Ontario Housing Corp and to our rent supplement and community partners programs. Over the next five years, we expect to avoid spending a total of \$782 million.

We said we were going to do it and we did it. We've held to our commitment. We're getting out of the housing business and leaving it to those who know it best—the private sector.

Our government believes major changes are needed to overall housing policy in Ontario. The social housing system, for example, is broken and unfair. Right now, the system is only fair to those people who've managed to get through the waiting lists. But many people who've been on the waiting lists for years—and there are 25,000 of them in MTHA in Toronto—need help and they're not getting it. That's unfair.

We want to replace the existing social housing program by moving towards a universal program of shelter subsidies for the most needy. We believe that's the way to go. We have to fix the social housing system. A shelter subsidy is fair because it subsidizes the person and not the unit, and it offers housing support directly to the needy people who have not been able to get assistance. Shelter subsidies are also more responsive to an individual's need than public housing because they're portable and allow people to choose where they want to live.

We also want to curb inequities in the current system. I know, for example, that there are some students who are paying as little as \$32 a month in rent while attending school. Whatever way you turn that, it's unfair to the taxpayers in this province. Some people are getting a great deal and some people are getting no deal. This is unfair.

Ontario remains a generous province for those seeking help with their housing, spending more than \$2 billion a year for shelter for people on social assistance alone. What we're going to do is review the current subsidy system and look at options for a new system. This is just a start. We expect to be making major changes to housing policy in Ontario, and the Ontario Housing Corp will play a large role in that.

We are currently looking at what to do with our public housing stock. In the long term, the government is looking at such options as privatizing some 84,000 OHC units to tenants, perhaps, and at private property management opportunities for the housing complexes. We are now working on options for the future of these units and we are continuing to work to improve the effectiveness of OHC's operations while maintaining efficient services. For example, in terms of capital works, we're instituting an asset management program—a better way to get value for money by spending capital dollars where they're needed most. I'm fully aware of the vulnerability of tenants in OHC, some of our province's poorest residents. Any decisions that we will make will be sensitive to their needs.

We have also taken steps to cut funding to tenants' organizations and housing advocacy groups, and we've reduced housing help services except in those areas of critical need. We couldn't justify subsidizing lobbying efforts for more housing at a time when we've pledged to reduce the deficit and get government out of the housing business.

Ladies and gentlemen, the efforts we have made to reduce our costs and deliver programs more efficiently are only the beginning of long-term structural changes. We think there are better ways to do business, to achieve better results at less cost.

We want to get out of the bricks and mortar of the rental housing market and we want to reform the current rent control system, which isn't working. We hope to introduce legislation some time this year which will mark the beginning of fundamental change to the system of rent control. That's because rent control, as it exists in Ontario, is not good policy. It's not good for tenants and it's not good for landlords.

Most think of rent controls as applying to people who live in apartment buildings, but rent controls cover a broad spectrum of areas. Let me give you some examples of how rent control doesn't work.

There's the situation of a trailer park in eastern Ontario that was brought to my attention. The local municipality was improving its water supply system and required the landlord of the park to hook up to it, at substantial cost. The landlord couldn't afford it. He was already barely covering his costs because of low rents, and rent control prevented him from raising his rents high enough to cover these new costs. The landlord estimated insolvency within two years if he couldn't pass the cost on to the tenants. What's more, the Rental Housing Protection Act prevented him from changing any use of his park. The landlord was caught, and the local municipality had to pass a special bylaw to allow the tenants to be billed for the hookup costs. We've seen many other cases like this, especially in northern Ontario.

Another example: Three senior citizens in southwestern Ontario put their life savings together to buy an old, run-down rental property. They went ahead with extensive repairs because they wanted to earn a rental income to supplement their livelihood. They found out that the rents had already been established on the old, broken-down unit and that the rent control severely limits the amounts that they could increase them by. As a result, the seniors were not able to recoup their investment. That's a prime example of how rent control discourages investment in capital repairs.

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Finally, there's the example of some renters in central Ontario who thought they were protected by rent control's annual guideline increase. They discovered, when their rents went up about \$400 a month, that there are sometimes big differences between the ceiling a landlord may charge, the maximum, and what he's actually charging. They asked, "What can rent control do?" The answer had to be, "Nothing," because all the landlord had done was move his rent to the ceiling that he's allowed.

The program is just not working. Old stock is crumbling, nobody's building new buildings and the vacancy

rate in Toronto, for example, is 0.8% and continuing to drop. The reality of the rental market is that rent control is one of the barriers to investment and new supply. We know builders won't build under the current system if government continues to tie them up in red tape and too much building regulation.

In our view, we need a new system, one that gives renters housing choices and protection, one that gives landlords incentives to invest in new buildings and maintain their old ones. However, I want to emphasize that I believe in tenant protection from unfair rent increases. We're not going to hang tenants out to dry. Nothing is going to happen until we're convinced we have a system better than the one we have now.

Our job is to put together policies that make sense. The industry's job is to build. We're going to get out of the way and let them do what they do best. It's a system that's worked well in the past. No final decisions have been made yet about what form this new plan will take. We're looking at all the options, including some models that are already up and running in Quebec in British Columbia.

From an administrative standpoint, the rent control program was costing us \$22.5 million to deliver. Since last June we've got that down to about \$19.5 million, and we're going to continue to look for efficiencies and fully expect program costs for our proposed system will be significantly lower than the current annual budget.

I want to say that in Ontario the past 20 years of rent control has meant one thing: Hardly any rental housing has been built. There's been plenty of non-profit and co-op housing built, and it's costing us billions.

As I've said, you and I and every other taxpayer in Ontario are subsidizing each and every non-profit unit to the tune of \$10,000 a year. That's an enormous cost. As I mentioned earlier, I've got nothing against non-profit and nothing against co-op housing. As a matter of fact, we encourage it. We just don't think that it should be done with taxpayers' dollars. But I want to stress that we will continue to work with sponsors to make space in existing projects for people with special needs, and we're looking at continuing a number of supportive housing projects.

All we want to do is to bring some common sense back into housing.

When it comes to cost savings, I'm also very happy to say that the executive level of our ministry is cutting back. With the merger of the Ministry of Housing and the Ministry of Municipal Affairs, we will save nearly half a million dollars this year in the minister's office alone.

There used to be, under the previous government, three ministers doing what is my job alone, with a full complement of staff and three parliamentary assistants. We've reduced our staff by about half, and I now have one deputy minister, not two. I'm happy to say we're doing better with less, and we will continue to look for ways of doing business more efficiently.

The government has launched an internal administrative review as part of the government's commitment to cut spending, reduce the size of government, eliminate red tape and be more businesslike in the way we operate. Even before this, we had taken measures to begin to

streamline internal administration and our delivery of ministry programs. Our goal is to reduce the cost of internal government administration by 33% by the end of 1997-98. I am confident that by reducing overlap and duplication, we can continue to reduce our costs and provide services more efficiently and more effectively in the future.

Today I have focused on the problems with the housing policy of the past and on those areas where our government intends to turn it around. We can no longer afford to subsidize inefficiency or tolerate abuse. We can no longer afford to let our rental industry spiral into decline. We have to bring back fairness.

We are cutting spending in areas where we believe the marketplace will pick up the slack. We'll pull out all stops to ensure the private sector increases the supply of housing to ensure all Ontarians have access to shelter and we will continue to spend in those areas that help the most needy in our society.

Mr Alvin Curling (Scarborough North): Thank you, Minister, for your statement. I'm not disappointed at all in what you have stated. You didn't say anything; you just came with threats and have put a lot of people into difficult positions ever since this government has come into place. Let me put things into perspective.

As you said, the estimates that we're dealing with for Housing were established by the former government, and we've got them here. You knew exactly what was going to be spent, how it was going to be spent and where it was going to be spent. You know the kind of mandate you're going to have. During that time, with the privilege of having estimates, your party brought out something called the Common Sense Revolution. As it goes on, it doesn't make much sense to many of the people who want protection and need help from a government. In other words, government did not become the friend of the people any more. I say that guardedly.

Then your minister released a fiscal and economic statement with all the talk. We had no budget; we had a fiscal and economic statement that said this is where it's going to go and what it's going to do. Then the minister brought the hatchet around called Bill 26 and decided, "I need all the powers I can get," powers that are unprecedented in our history, and said: "We will go about this without any laws and without any reproach. We'll do what we want to do." When the people responded in many ways and told you they would like to have input into some of the things that the government's going to do—we call it consultation—none of that happened. People reacted accordingly and told you that they want to participate in their government, because you're collecting their money and you're going to spend it on them for their aspirations, to help them through some challenges—all people, business people saying, "We want proper regulations," people who are struggling, saying, "We need a hand up, some support by the government that came in."

Then, without any of those kinds of consultations, I heard yesterday and today that your ministers are saying: "We didn't get the message through. What we're doing is right. No matter what happens, we're doing something right but we didn't get the message through."

The first thing I would urge you to do, with all the compassion I'm hearing from previous ministers coming in here with their budget, with their estimates, is to say, "We want to listen, we want to consult after all the chops and the cuts have taken place." I don't believe you when you say you're going to consult with everyone; I think you will consult. You haven't really consulted, in your area, with some of the home builders' associations and all that. They were right at your table very quickly to tell you where they want to go, because you're speaking their language. They saw a whole great stock out there that you manage and they said to you: "You're talking our language. We can take this over."

Let me tell you straight out, Mr Minister, that they will not build for the bottom end of the market. You said, "Put it in the hands of those people who will help." Your government brought in rent control in a very haphazard way and screwed it up royally. Furthermore, all those flips that went on were under your government—the mismanagement that went on in dealing with the housing situation in this province.

1400

The Liberals came in and put in a rent control program. It was not in itself complete and not in itself effective. We went some distance, but I would say there were others that were not dealt with to completion in the rent control legislation.

The NDP came along and tried to correct certain things with it and tried to make it improve and, again, did not complete the job. It's not an easy thing. It's a very difficult task, having rents be controlled at the level where people can afford them and also taking into consideration that landlords or owners of properties can make some sort of profit. And I admit unacceptable was being done.

Regardless of that, your illustrations and the examples that you stated in your statement here do not, I would say, give the full story. They don't, because there are rents out there right now at the top end that, when landlords offer them, they can't get them. So you see, don't feel, "My God, if they could raise the rents, everybody would come in and rent those units and therefore they'd make a profit, so therefore they would build, so therefore they would fix the units." They won't. They won't do it, and you know that. They will not build if you lessen rent control. We will deal with that later on.

During your estimates, as the couple of hours pass by, there are many questions I will be asking you for some explanation on, but I want to go right back to, what is this all about? Let us find out about Housing and your mandate, if you understand the mandate of your ministry.

Minister, you had the summary here. I would read it for the record, but I don't need to. I'm sure that you're quite familiar with the mandate of your ministry. I'd like you to answer some of the questions as we go along. Do you believe in the mandate of what you took over as the Minister of Housing? If you differ in any respect, I'd like you to explain in more detail how you differ from the mandate of what the Minister of Housing should do. I said I wasn't going to read it all, but let me read from part just to remind you, because at some time I want to put you back into focus. Remember now, you, the

Minister of Housing, should be the best friend of landlords and the best friend of tenants, all tenants and landlords. You should be the best friend there, seeking a balance.

Let me tell you something. You're a wonderful friend of the landlord, it seems now. You're an enemy of the tenants. Let me tell you why. You are the second-largest landlord in North America. You hold a lot of properties, so to speak, as the minister, and the fact is we could almost regard the Minister of Housing now as the largest slum landlord we have. The properties are in a terrible state and they are not being fixed. So let's deal with that aspect of you as a landlord.

As a landlord, you have failed. As a landlord, when I was there, I failed. As a landlord, as the Minister of Housing, as we go through, we fail. We have not brought decent and affordable housing to the people of this province, and we must fix that. So I commend you to looking with respect to fixing the rental housing aspect in our province.

The way you are going, though, I'm telling you, you're going to run into deep trouble. "The ministry supports the increased supply of affordable housing through a number of community-based, non-profit programs." You are saying, "We are not in the non-profit business." I wonder who is in the non-profit business. I presume the developers would be in the non-profit business, or not-for-profit business.

All through your statement what you told me is that the administration of these things was screwed up royally. It wasn't the tenants who were at fault. The fact is, in administering this huge stock, it's the administration of that which really went astray. Who suffered? The tenants.

What you have done is, you came in. I want you to put yourself in this situation. You've got a home and, all of a sudden, without any notice, the bank walks in. All our homes are owned by the bank in some respect, because we have to pay our mortgage; you may be fortunate enough to have paid off yours. The bank could have walked in one day and said, "We're going to sell it from under you." You said: "No. My home?" "Yes, we want to sell it." "Who are you going to sell it to? Without notice? I'm paying my rent." "We're selling it." What you have done is, you have sold the bricks and mortar, because you conceive that a home for those people is just bricks and mortar. It is their home and, all of a sudden, you're frightening the daylights out of them and saying, "We're going to sell all of those homes from under you." As a matter of fact, you throw some little things in and say, "We will give the offer to the tenants first." Before you do so, go and visit England and see what they have done in that situation, and who bought and where the rest of those properties that are not being sold yet are.

But you have decided to sell those homes from under those tenants, without notice, without consultation, disregarding any feeling of compassion at all for them to say: "I am thinking about that. Let's talk about it. Let's look at a different way." No consultation. You went in and cut the hands and feet from these people and then said, "We will talk now to see how you can walk." That's what this government has been doing constantly. They go in with a hatchet and they cut away. Then they would

say, "Can we talk now?" How can people talk when they realize they don't even know if they have a home?

I have hundreds of people who have called, and I say hundreds, who are saying, "Will I have a home later on? Because I hear the minister is selling my home," or, "My landlord is saying he's getting out of the business." It's funny how this landlord has a lot of talk. The landlord was picking up my taxpayer's money and redistributing it in a very equitable manner. The landlord himself really, really didn't do a great job of managing it properly himself, even within his own administration. The contracts were done badly, overspending—all this was happening, but you did not address that first to say: "Let me clean that up. Let me go in there and really clean that up and see if we can offer affordable housing to my tenants and see that it's decent and affordable." No, what you're going to do is sell it off. "We're going to put you into the hopes and the hands of the private sector, which is much more concerned about you than we are as government."

You should really start thinking about that. Let me tell you, they are not as concerned and will not be as concerned as governments. That's our job. We were elected because we found that we wanted to deliver a fair system to people, and there are certain things that we have to be into. I agree with you, there are many things that we're in that as a government we shouldn't be in, but if we leave it all to the hands of the private sector, the first thing, like your Premier and you are talking about, is the bottom line, about cutting costs and about making a profit.

You are not in this business to make a profit. I'll say that again: Government is not in business to make a profit. Government of course must run it in a very manageable way and not be wasteful. Therefore, there's nothing wrong in running a housing business to make sure it's affordable for those people.

You said if we have rent control, what will happen is, they will not build. First, you know what they will do? Yes, I think maybe they will. They will start at the top end of the market. They must find how much money they can get for those who can afford it more and maybe start building \$300,000 or \$400,000 homes; or rental units at a certain level, one-bedrooms maybe, at \$800, \$900. Then, when they have saturated that part of it all, they will maybe build some cheaper ones, cheaper in the sense of no extras, and maybe build for those in the market of \$800 and \$700.

Let me ask you, when are they going to build for those who can't afford it, who can only afford \$500 or \$600? You said, "Of course, we will make shelter allowances." It's very interesting that you say "shelter allowances." What you're doing in itself is like any businessperson, as you said. You want a buyer. So you're going to strip yourself of all of the things around before you can get a buyer. They will come and look at your buildings and say, "We don't need that administration. Get rid of those," so you fire all those people.

What you will have is a fire sale. You'll have a fire sale and they will say, "I'll buy the building for \$1.5 million," when it's worth \$5 million. You'll say, "Take it off our hands." You're going to have a real fire sale

and sell off those buildings themselves. If you were a good landlord in the first instance, if you wanted to sell, you would be getting good money for your property. But we weren't administering the buildings properly.

1410

I was at a meeting the other day and MTHA, the Metropolitan Toronto Housing Authority, was there. What happened was that they were complaining that \$7 million was being cut from their budget. They were telling these tenants and then hoped they would have gotten applause, hoping for support to get some more money back. A tenant responded this way: "I'm very happy that they cut you. They should have cut you \$20 million or more." The place became very silent because the fact is, here was supposedly a supporter telling them. "You have been cut, your budget, and we want more from the minister," because the idea by your government is that all these people need is "want, want, more, more, spend, spend." The tenant was saying, "Don't spend any more." They asked her why she said that. She said: "I've lived in this building for the last 15 years. In the last two years, my window was fixed five times. It didn't need any fixing, but it was fixed five times. The carpet was changed many times when it didn't need changing." Then guess who is punished today because you're saying it can't be run properly. Guess who is punished. The tenant is going to be punished on this. Because the government could not run this administration in a very efficient and effective way, the tenant now will be punished.

What more? What are you going to do? You're going to offer these wonderful buildings to these new owners without rent control. You're going to tinker around a little bit and then try to eliminate rent control, and as you do that you will have your shelter allowances, you said. But we know what you're going to do too. You have no compassion and no care for those tenants who cannot afford it. You will give a maximum shelter. You will come around, as you and your colleagues have done with the social services, and say: "That's the maximum you'll get. You go out and hustle and try to negotiate out there." Throw them to the wolves. "If you can't get a proper place, tough. That's what the real market is like."

Because many of the people who need to be subsidized, who are paying 60%, 70%, 80%, 90% of their disposal income on rent, are now going to find it more difficult. What you and your colleagues—I'm going to ask you later on about your interministerial committee and who's on that—have done is walked into the most vulnerable people who are paying a high percentage of their income in rent, taken away 21.6% of their income and said, "Go out there now." Some of those people are paying up to 90% or 95% of their income now in rent. You took away maybe \$200 or so from them and said, "Go and fight out in the sea like anybody else."

So when you take away the rent control and then you give the subsidy allowance, what you've done is make sure you look after your buddies over there and then say: "Well, we have a building now. We are not conforming to the rules that we have. We have no rent control. Now we can charge what we want." You will see, sir, that some of those units will be shut down because as soon as they reach a level where they can pay their bills and

make a profit, they will be very, very selective of who they get into those buildings. You will have vacancies that are shut away and they won't have it.

When the government handles these things they can make sure they can assess people for various needs and assist them to it. You said if you're subsidizing people instead of subsidizing bricks and mortar, they have much more flexibility in the system in which they can go wherever they want in order to apply for accommodation. You can still do that. You can still do that without selling it off and giving it off to the other people.

I know that in your consultation with the home builders' association, they were so ecstatic when you first called them and said: "Come on in. You've got a friend now." You told them in your speech, "Now, for the first time, you've got a friend." I never knew that they had an enemy in the NDP or an enemy in the Liberals.

Hon Mr Leach: They thought they had.

Mr Curling: No. They only thought they had an enemy in the NDP or the Liberals when they felt, "We want a free run of what we want to do," and the responsibility of government is to say, "Just wait one second, we have to balance this."

We also come as representatives of the people, who are tenants too, not only you as landlords, developers or owners. We also have to balance the interests of tenants and home buyers. So sure, you never did walk into tenants' groups and say, "You have a friend now." You didn't say that. As a matter of fact, not only that, you ran scared. You didn't even want to go back to your own riding to sit and talk to the tenants.

Hon Mr Leach: When was that?

Mr Curling: Well, there were meetings that they told me you didn't want to turn up. The fact is it tells me then, what is the news you have that you couldn't tell these tenants? When I was the Minister of Housing, sure I got criticism, lots of it, from tenants and from landlords and from owners, but I told them that one has to have that kind of a balance. That's why the job is tough, no easy job at all that you have, but if you do not come fair in this process, at the end of that day, sir, you will be asked to give an account of why you sold out all of those homes from under the people, why you cancelled non-profit housing.

Talking about that, I want to ask you later on too—and I hope your staff can tell me. Of course they will have it. They are a quite efficient group of people, people I've worked with, some of the hardest-working groups of people, who are very scared now anyhow. They're not quite sure if they'll have a job tomorrow because of the threat that your government is also giving to the civil servants, putting them in great fear about where they're going and things.

You should tell me, in the cancellation of all of this non-profit housing, where you feel, "I'm going to save so much," what are the legal costs that you're encountering now? Many of the companies have called me and said, "I was just in the process of getting the bulldozer to dig and to do my stuff and start my development, and I've been cancelled." As you know, many people have repercussions down the line who have made commitments themselves. I don't think you were sensitive to them. Those

are not landlords and tenants I'm talking about, I'm talking about builders. You were not sensitive to them, sir.

The non-profit groups who had contracted them—at one stage I understand that you told them you had no contractual agreement with them. They had contractual agreements with the non-profit organizations, so you go and work it out with them. You know that non-profit organizations made a commitment on the good grace that you or the government would have followed through at least with their commitment. They did not do so.

How can we trust the government now that has come in and cannot carry on a commitment that one government had done? Because you don't like the looks of it all, you change it just overnight like that, and throw a whole lot of people into bankruptcy. Some of the people have come to me and said they are bankrupt, because they need money and they have to pay for all the commitments that they had, and you're telling them: "I had no contractual agreement with you. You go back to the non-profit organization."

Another area I would like to touch on is the building code. I have a lot of sympathy here for you. Mr Bisson said I must not be too kind to you, but this is a very, very difficult area in which you are walking. It needs changes badly. It's inconsistent in many, many ways. It restricts, of course, many of the builders who want to get on with it. You have so many levels of approvals, as you know. But I would caution you, sir, as you move into the building code, make sure the standards of homes are not lessened because of that.

The builders will encourage you to do so. They will even tell you things like, "If you can get those costs down, what we will do is pass on the savings to the owners." Watch it. Watch it, Mr Minister. None of those savings will ever come to those home owners. It's almost like the banks today. It took them a long time to realize nobody would borrow their money because nobody can afford it. Every day we have the great announcement of how interest rates are dropping. And they will drop more, I would say, because the people cannot take on the loans any more. They can't afford it.

So I'm saying to you, as we look at the building code, it needs a lot of adjustment and a lot of attention. It must be looked at carefully that we don't put the standard of our homes to be less. Of course, I'm not here to attack the NDP process when they had those intensifications with the homes, in the cities, there were repercussions to that. We have to think things through. Many of the things—you may be sitting there, all the bureaucrats, or the civil servants—they don't have to be called bureaucrats—hardworking civil servants who are there doing their job. Sometimes they don't even have a chance to go home, so therefore they may not know—even when they get home themselves, their kids and their wives forgot what they looked like, they're working so hard. In the meantime—

Hon Mr Leach: I used to be one.

1420

Mr Curling: In the community what is happening is that when we make laws and make changes, especially intensification, and realize that when you get home the wife would say, "The amount of cars that are parked

around—why?” You said, “Well, there are so many different people concentrated in one area.” She said, “Who made that law?” “The government.” She said, “How do they do that?” And you said, “We were advised by the bureaucrats, that this would be the way to go.” And she realized that the husband himself is one of the bureaucrats. “Did you do that?” He came home at 11, or she’d be home at 11 or 12 at night and everything should have been much quieter. She’d had problems with the schools because of the crowdedness, and now you’re doing different things with the schools, so you want to solve it in a different way.

The fact is that when we’re making changes to the building code and any kind of—the Planning Act—be very careful, consult. This time I use the work very seriously because your government felt they had this little book called the Common Sense Revolution, “So we have consulted and 100% of the people told us we are going in the right direction.” You weren’t going in the right direction with Bill 26, you were going in the wrong direction. You weren’t going in the right direction in some of the repercussions that are happening right now, although some of them are so ugly. The fact is you’re going in the wrong direction. Talk to people, because any law that you change has repercussions individually with people. It’s not the bottom line that we have saved so many million dollars, we’re going to balance that budget regardless of what.

The estimates here were carefully done, sometimes misguided, because we are the Liberals and we felt that somehow they were spending too, and there were things we could have done better. But the people didn’t choose that way, they thought you could have done it better. Now they have also made a mistake again, I would say, because if they have not, why are they protesting?

Interjections.

Mr Curling: Why are they protesting so loud? As a matter of fact, they’re protesting so much I gather too, Mr Minister, every minister now has about two bodyguards. The fact is that—

Mr Rollins: As long as you’ve got me you don’t need two of them.

Mr Curling: It is important that we are in touch with the people, not to patronize them in any way, but to be sensitive about their needs. I tell you, they don’t believe you when you come this time, therefore you have to be more meaningful in your approach.

Sir, I’m putting you on notice that there are many questions I’d like to be answered in regard to how you handle the non-profit housing, how you handle the building code, how you deal with your partners in this kind of a business, to convince me how you will come back on stream in building confidence in the people you serve. It is very important, and as your government chisels away at some of the income that people have, and the fear people have that we’re in one of the greatest recessions, you must answer me, why you decide to beat up on the poor and those who can hardly afford—and that is what you are doing. Why are you taking away those homes and handing them to the private sector? I am extremely concerned. I don’t want to live in a country, or a province, that does not show some sort of compassion.

Government is about people; government is about understanding those people, understanding their needs and addressing those needs. Taking their money and redistributing in an equitable and fair manner for all people: private sector, if you want to call them the business, and the others.

If we don’t do that—we don’t want to stray to the left and feel we should take all the money and throw it all to non-profit groups, while the private sector plays a very important role. We don’t want ideology like yours that swings it all to the private sector and says: “Government is not in the business of doing homes. Government is not in business at all. Give it to the private sector. We’ll sit back and watch it, or what we will do, we’ll disarm the opposition”—disarming the opposition by taking away all the regulations and laws that make you accountable in the House, make you accountable in the courts—and then say: “We can govern. We can govern in any way we can because we’re not accountable.”

Those are some of the things I’ll be asking you in another couple of hours. I wish you well and hope that the bureaucrats or civil servants have made some sort of note and see what direction I’ll be going.

The Vice-Chair: Thank you, Mr Curling. Before I turn to Mr Bisson, I want to notify people in the committee that we received a call from the Minister of Transportation who wanted something to be made clear. He did not mean when he said in the House that you should use your cellular phone in your car on the highways, that you should use them in committee room. So I will remind you not to have cellular phones in the room, otherwise the clerk will have my head. Please don’t have your cellular phones in operation while we’re in committee.

Mr Bisson: Maybe we can give the cellular phone to the minister, and the clerk can have the minister’s head. Clearly, we’re allowed to do that.

Where do I start, Minister? I am just amazed, listening to the statement that you just made here today before this committee, in regard to what your views are and, I take it, what your government’s views are, both in regard to housing policy and in regard to rent control. No big secret—everybody I think expects us to be in opposition to each other on this issue, not because I’m a member of an opposition party and you’re the member of the government. Quite frankly, I fundamentally disagree wholeheartedly with the majority of what you had to say in there, not to say that things never could be made better. I think we can all make apple-pie arguments about how we need to better manage government just as we always try to better manage our businesses. I think that’s something we should all be striving for, both in the private and public sectors.

But some of your comments—I wonder, is it rhetoric or do you really believe it? Sometimes I really have to shake my head.

I’ve got to say that the one honest thing you did when becoming Minister of Housing is that you got a chance to go to the Ontario municipal association annual meeting. I was there to listen to your speech, and at the beginning of your speech you said, “You know, the Premier appointed me as the Minister of Housing and I can’t figure out why, because everything I know about housing

could be fitted at the end of the pin.” I think you’re right. It’s a pretty dull, darned small pin, and I think it shows fairly well in your understanding of housing issues and your understanding of what the dichotomy is between tenants and landlords. I think you really demonstrate just how true those comments were.

We’ll just start from there, and we’re going to get into specific questions later, but this 30 minutes is my opportunity to respond to your report. I will just go through point by point of what you said, so I can put on the record where you’re coming from.

This whole notion that non-profit and co-op housing is a good idea gone bad is really misleading to the people of the province of Ontario. Yes, you can make an argument that when we came to government there were problems in the Ministry of Housing, and you can also make arguments, quite frankly, Minister, there are still problems; and I will make arguments after you leave four years from now that there are still problems, because you can always make it better. But to try to leave the impression that the reason we need to get at non-profit housing and co-op housing is because it’s a badly managed system that we’ll never be able to get a handle on and that it’s somehow a big sink-hole of money going to some bad use of public funds, I think is really a statement that is amazing that is being made by a Minister of Housing and by a member of the government.

I think we would have learned through the time of Bill Davis to where we are now that there are reasons why this province undertook public housing policy, and that is, quite frankly, the private sector was not filling the gap in certain areas. Your own reports from within your own ministry point to this, along with everything that private developers have been saying for years. I’ll get into that in a lot more detail, but there are far more problems that are holding up the construction in new apartment buildings than some of the things that you mentioned in your statements here today, and we’re going to get into that in some detail. But to try to leave people with the impression that we need to go away from a policy that we’ve adopted in this province for some years now that had been followed to one degree or another by three different parties that have been in government over the last 10 or 15 years I think is really unfortunate, because you would think in government the one thing that we would learn as legislators is that we try to build on the good that has been done by others.

1430

If you come to government after me and you say, “I think it could be done better, and I can build on that,” well, you know, we may have our political arguments, but in the end the public is better served if you’re trying to better what we’re doing. If you came to government and you said, “I don’t want to do public housing to the extent that you did it as a New Democratic government” or to the extent that the Liberals did, we might argue about the degree. But for you to come here and say you don’t believe in public housing at all and you want to sell it off, is basically what you’re saying, and everything that has happened over the past 20 years was wrong. Jeez, it leaves me just shaking my head, because it goes against everything we’ve done over the past years.

First of all, all of those darned buildings that were built under the non-profit and co-op housing initiatives were built by the private sector. These are private-sector contractors who bid on jobs based on tenders that were put out either by the Ministry of Housing or by some proponent of a project, according to standards set out by the ministry, that were later audited. It was private-sector developers and private-sector jobs that build them; it’s not the public sector that did it. The public sector put forward the money.

Yes, there were some problems. I’m sure that you, as minister, and I, as a former member of the government, can point to specific examples of where there were some inappropriate actions on the part of a contractor or on the part of a developer or on the part of a person who ran one of these units. But you and I know, Minister, you cannot stand up here in this committee today and say that the public sector does it all wrong and the private sector is good, because we well know there are all kinds of examples in the private sector where developers, quite frankly, have made a fiasco of managing building projects and apartment buildings.

Some very renowned people in our business community—the Campeaus, for one; we all know what happened to the Campeau empire and what happened through his doing, the stuff that we’ve seen at Canary Wharf, what happened with Bramalea, what happened at Cadillac Fairview. There are all kinds of examples of where the private sector moved in and did investment and tried to do what they thought was the right thing, but for all kinds of reasons, leading from everything from mismanagement up to fraud—it happened in the private sector as well.

For you as a minister to come here and to try to insinuate that because a project is put forward by the public sector it’s fraught with all kinds of problems that cannot be addressed in a public sector system and we’ve got to put it all into the private sector because they know best, they’re smarter than the rest, I’m sorry, that just don’t cut it. The reality is that there are good public-sector-managed projects in this province. There are a whole bunch of them that you can point to that have been managed quite well, thank you very much, Minister. I think for you to come to this committee and insinuate that flies in the face of all the work those people have been doing for the past number of years in trying to fairly manage the dollars of the taxpayers of Ontario and provide housing to the people of this province according to provincial policy. I think, Minister, quite frankly, you owe them an apology.

To insinuate that the private sector can do it better, listen, I think there are all kinds of examples in the private sector where they’re not exactly spot on when it comes to how they manage projects. I can probably go to a number of Ontario institutions called jails where I can find some people who actually got locked up for some of their activities in the private sector, as I would in the public sector. So let’s put that to rest right up front. There are plenty of examples on both sides.

If you want to come to me and you want to argue as a government, “We want to restructure the way that we do it, and we want to find new partnerships where the private sector will play a different kind of a role but the

government will still have a real say about how we develop housing projects and there's still room for the non-profit sector and we'll still be moving in that direction," I'm prepared to have that discussion with you, and I'm sure that the people of Ontario are equally prepared to have that discussion. But to say we're going to do one in exclusion of the other, I think, is wrong. For you to insinuate that the private sector hasn't been able to build all because of bad government policies, I think, flies in the face of everything that's happened.

In fact, I sometimes wonder, as I think a lot of people in this province wonder, where you people have been for the last 10 or 15 years. You seem to have this impression that there has been no investment in the province of Ontario over the last 10 years because bad old Mr Peterson and the Liberals from 1985-90 and that Mr Rae from 1990-95, they just stood at the border of Ontario and they said: "Hold that investment. We don't want it no more."

Excuse me, the reality is that there have been record levels of investment in this province under Liberal administrations and under NDP administration because of good, sound government policy. I think it's pretty damn arrogant for you guys to come in here and to try to insinuate that. If you want to build on the good, I'm prepared to do it with you, but don't come in with that attitude that you've been having.

You alluded to the problems within the Ministry of Housing in your summation to this committee, about how the auditor had pointed to all kinds of problems within the Ministry of Housing and about how it is an example of why we need to get rid of non-profit housing.

Again, I would say, "Yeah, we came to government, there were some problems in the non-profit housing sector." But the auditor himself acknowledged, after he first tabled those problems that he identified through the process of the audit that they did at the Ministry of Housing, that our government after that point worked very hard to address a lot of the problems, because we agreed. There were problems. And I would agree there probably are still some problems now. But to try to cite the reason of the auditor as a reason that we should do away with non-profit housing policy in this province I think is trying to find a crutch where none exists, to put it quite bluntly.

I want to get into the whole question of what happens in the construction industry. I've heard you on a number of occasions talk about the barriers to investment in the development of new apartment buildings and housing projects in this province. In one argument you argue that is a reason not to get into non-profit, but more in light with rent control to make the argument that people are just not investing in brand-new buildings because of rent control.

You know as well as I do, that's just the tip of the iceberg. Rent control is probably one of the least reasons that investors will not invest in a brand-new building, because you know as well as I do that market conditions will dictate what a rent is. If I go out and build a brand-new apartment building today, I've got a five-year provision under current rent control legislation that says I can set the rent according to what the market'll bear.

That's the law and that's how it's written and I've got five years to do it.

So if the whole problem is that nobody wants to build a brand-new apartment building because they're not able to charge the rent, you should go out there and just ring the bells of investment, because people have had that right under rent control legislation ever since we changed it under the NDP government. You've got five years.

So what's the argument? The argument that you'll find—and you talk to developers as I do, and I've got developers that are friends of mine, quite frankly, and are members of my riding association.

Mr Baird: Some of your best friends are developers.

Mr Bisson: No, I've got to say that. Some people will laugh, but I deal with a lot of people in my riding and I was quite active in the housing sector in my riding and across northeastern Ontario and got to meet a lot of people, before my time in government and since then, who work in the housing sector, and what the developers are telling me is the problem is how we tax apartment buildings. That's one of the big problems. We tax them at 280% of the rate that we'll tax a private building.

What are other problems? The fees that you have, and I will make an argument before Bill 20, and we'll get to that one later when we move on to Bill 20, I think those fees are necessary when it comes to development charges, because I think it's unfair to put all the development charges on top of the future taxpayer through their taxes. What the development charges do is put that charge directly into the mortgage. It's a question, do you want it in the mortgage or do you want it in the rent? But the argument of the landlords—not that I agree with it, but they're saying, "One of the big problems I have is that if I go out and I build a new apartment unit with 100 apartments in it, it is not economical, and one of the reasons it's not economical is that all of the fees and permits I have to pay to build an apartment building on a \$100,000 unit could be somewhere around the neighbourhood of \$16,000, \$18,000, depending on where you're building it." And when you're trying to recoup that through the mortgage of a 100-unit apartment building, that's a lot of money. That's what they argue to me about.

When I was in government, I never had anybody when I was in government, as a developer, come to me and say, "Gilles, I'm not building this unit because, you know, that rent control legislation is preventing me from building it." Alvin, did you ever have anybody argue that to you?

Mr Curling: No.

Mr Bisson: No. They come to my office, as they're going to yours and they're saying, "We're not building because we think there's a whole bunch of other issues out there." And the big reason is that the economics of building an apartment building in this province are such that it is not a profitable business for the developers to get in. Because by the time you purchase your land, the cost of construction, the cost of the material, the fees and permits that you pay, the taxes on the stuff that you have to pay, all of the regulation that's involved is what is making it uneconomical, and it's not the rent.

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If you were to take all that other stuff away, I would argue probably you would end up with a couple more units being built, probably more than a couple more. But it's not the rent control in itself, and to make the argument that we've got to get rid of rent control because somehow it prevents the development of new apartment buildings—I've got to say, Minister, I disagree with you. I think you're going down a path, quite frankly, that's wrongheaded. I think it'll come back to haunt you. You recognize in your riding that 80% of your constituents are renters. What do you think they're going to tell you four years down the road when you get rid of rent control? They're going to say, "Hey-hey, ho-ho, bye, Al." That's what they're going to be saying. I have had the pleasure to meet with a number of people in your riding, and that's not to be partisan but because they do come to us. You've never been in opposition before. This is your first term. Like me, you were first elected to government, but people come to see us when they're not able to get what they want from the government. People in your own constituency are really worried about what you're doing because they recognize that there are instances out there—and I won't argue that every landlord in the province, if you take rent control off, is going to jack the rents up, but I think a sufficient number will, if they get the opportunity, to the detriment of the tenants.

I have to ask myself one real simple question: If what prevents new apartment buildings from being built is not rent control, then why in heck do we have to get rid of it? I only can come to one conclusion. The Conservative government is playing special-interest politics. That's what they're playing. You're succumbing to the special interests of a very few people in our society who happen to be on the side of landlords and developers. I understand that. We all have our constituencies. You can sit there and argue with me, "You had your constituencies that came and lobbied you and you did things for them." I'll freely admit that.

But why don't you come clean? Why don't you stand here as Minister of Housing and tell me, "The reason I'm doing away with rent control is quite frankly because I have a lot of friends of mine in the development industry and the landlord business who want me to do it, and I am closely allied with them and ideologically I believe that tenants should pay more rent." If you did that, at least I would respect you for having the honesty of doing it, but to come in here and to try to prop up your argument with all of the weak arguments you're giving us in this summation that you gave us today, it irks me because it really is not, I think, a very honest way of doing things.

You and I over the years, as all members of this House have to work together, and I think one of the ways that we work best is when we're up front with each other. That's one thing I found in government: If I'm straight with the opposition, the opposition will be straight with me. But don't come in here playing; don't come in here trying to tell us that these are the arguments you have.

It makes me think of your colleague down the cabinet table, Mr Snobelen, who did a video when coming to government talking about having to invent a crisis in

order to justify the changes that he wanted to make in the Ministry of Education and Training. I'll tell you something. I think that guy should have been kicked out of cabinet and you know what for? For divulging the secrets of this government. That's really what happened there. This guy was basically divulging what the discussion at cabinet was, which is, "We are going to create crises and, by those crises, we will be able to justify the changes that we want to make to Ontario policy to suit our ends and to suit our special interests that we represent as Conservatives in this province." That's really what's going on here, so don't come in here and tell me otherwise.

Yes, the government of Ontario has to pay a large sum of money in order to subsidize non-profit and co-op housing. That's a fact. That's in the auditor's report. Everybody knows that. If you want to get in here in a discussion and you want to work with the people of Ontario and with your members and with the opposition about how we make that more affordable, hey, I'm in there with you. I never resisted change. I was part of a government that did all kinds of changes and, in the end, my government paid for those changes because we did a whole bunch of things real fast and people weren't able to get used to it. I would say you're going to get the same problem.

The thing is, we need to understand why it is there is a Ministry of Housing in the first place. We have a Ministry of Housing and we have housing programs and we have rent control because it is a policy of the government that when we learned that when we didn't have those policies, tenants were in a position that was really untenable for tenants over the longer term. That's really what it's all about and it comes down to a very simple premise: Put your money where your mouth is. If you believe as a people that you have to be able to do non-profit housing in order to make sure that those people in society who are least able to get the income that they need in order to provide—and we believe as a society it should be the right of every individual to make sure that they have a roof over their head at night and they've got a safe place to go in and they've got a place that they can raise their children that's clean, that's brightly lit and it's not in some dingy apartment somewhere, infested with cockroaches, that you pay \$400 a month for, and we want to make sure kids aren't raised in that kind of environment, it's going to cost us dollars.

The debate becomes: Are we willing to pay the dollars or are we not? That's really what the debate is all about. I take it what you're saying is that you, as a government, believe you do not have to do that and that it should be strictly in the hands of the private sector and strictly in the hands of the tenants to fend for themselves. Let's get into that debate; it would be an interesting one.

I want to follow up on that point in regard to the shelter subsidy. We're going to get into this through the estimates a little bit later but, my God, here we are, you're saying we're spending \$10,000 to subsidize the construction of new units in the non-profit co-op housing sector. In exchange what we're going to do is that we're going to provide a shelter subsidy that we're going to give to the tenant and then the tenant, he or she, is going

to go out and say, "I've got this money from the government and I'm going to see somebody in the private sector and I'm going to go find an apartment."

We're going to be giving tax dollars to people to pass on to the landlord, and where's that money going to go? Do we get anything back in exchange as a province? We're not going to have any capital, no buildings or anything that we have as net worth at the end. All we're going to be doing is throwing money, through the tenant, directly to the landlord, and we've got nothing to show for it except for the policy of providing an apartment for somebody.

It begs a whole bunch of questions. What kinds of standards are you willing to put as a government to where the tenant can bring that subsidy? Are we going to be giving that money to the guy who runs the fleabag down on the corner that has cockroaches running around from one corner to the other? Is that whom we're going to subsidize? Are we going to be subsidizing people who have apartments who have some net worth to them? I wonder where that's going to go. Will there be any standards?

The other thing I wonder is, how much are you going to be giving? Somebody who is now living in a non-profit housing project, who's having their rent subsidized through the non-profit housing policies of this province, how much are you going to give them in a shelter allowance in exchange for them losing their apartment building when you privatize it? In some cases, we're paying—at one particular unit, Kaleidoscope housing, for an example, in my riding, geared to income, I would be paying somewhere around \$200, \$250 a month of my welfare dollars into the project and the rest of it would be subsidized through the Ministry of Housing. Are you going to say that full amount between what they normally pay and what it actually costs for the unit will now be put in the hands of the individual and you're going to allow them to bring that into the private sector—\$700, \$800, whatever it might be?

I don't think you're saying that. I think the shelter you're talking about is going to be a heck of a lot less. It's going to be a couple of hundred bucks at best if you're lucky. Yes, you should get worried when I bring stuff like that in. You're going to be giving people a couple of hundred dollars at the very most in a shelter subsidy and they're going to be out there fending for themselves trying to find an apartment somewhere, and it's going to mean the person who happens to be on FBA or GWA who's in a non-profit housing project or the working poor are going to end up paying more for their apartments. That's what it comes down to. And to boot, the gift is, "I ain't going to have no more rent control." I don't know, it really boggles my mind. We'll get into that one a little bit later.

The other thing you said, and I can't believe you said this, and I'm going to come back to this when we go through our presentations later, our questions, you said something to the effect that students pay as little as \$32 a month to rent an apartment while they're going to school and that's not fair to the taxpayer. Are you serious? I'm not asking you to answer that right now. Really, we have made a decision, both the federal and

provincial governments—I take it you're talking about units that were built on campuses of colleges and universities—no? Okay, we'll come back to that one later then. I'll leave that one alone for now. You shake your head to the negative, so I take it you're not jumping to the conclusion I thought you were jumping to.

I've got about 10 minutes left. Actually, I'd prefer at this point to get into questions. I've made the points I want to make. I still have a few minutes left. I've learned one thing in politics: When you finish saying what you've got to say, don't kill the next seven minutes, pass it on to the next one. I'll get to my questions later.

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Hon Mr Leach: My question, Mr Chairman, for the benefit of the committee: I had 10 minutes left on the clock, and could I use that 10 minutes to respond to the opening arguments?

Interjections.

The Acting Chair (Mr Michael A. Brown): We gave the minister half an hour to respond if he wishes? All right.

Mr Bisson: There's a half-hour block here. I thought it was 15-minute response?

The Acting Chair: If the minister's succinct, as we know by his opening statement, he won't need the half-hour, but we'll start with that, if that's the will of the committee.

Mr Bisson: Will it go 15-15 afterwards?

The Acting Chair: No, it will be half-hour rotations after that.

Mr Bisson: Sounds good.

Hon Mr Leach: Thank you, Mr Chairman, and thank you, you two gentlemen. Quite seriously, nobody ever gets into government to do something bad. Every one of us comes into this business with the understanding that you're going to do something for your constituents; all of them, for that matter. Nobody intentionally says, "I think I'm going to run for office to go out there and see how much chaos I can cause."

Mr Bisson: You're doing a pretty good job.

Hon Mr Leach: Just think what we could do if we tried.

Mr Bisson: Can I use my seven minutes in jabs?

Hon Mr Leach: Interjected at 30-second intervals.

The Acting Chair: I think I've lost control here.

Hon Mr Leach: There are just a number of questions that arose from your response to my opening remarks and where we're going with OHC and the redevelopment and the privatization of Ontario Housing Corp. Mr Curling, I'd just like to ask, are you opposed to the redevelopment of Regent Park?

Mr Curling: Redevelopment?

Hon Mr Leach: Of Regent Park?

Mr Curling: I don't know your full plan. When you can tell me your plan—

Hon Mr Leach: Regent Park is probably—well, it's the oldest OHC—public housing complex in Canada.

Mr Curling: I know it.

Hon Mr Leach: It's close to 50 years old. It's pretty run down. There's a proposal that has been put forward now by that far-right leaning member of society, the former mayor of Toronto, to redevelop Regent Park using

the private sector, turning the existing complex over to the private sector, having them redevelop it, maintaining the 163 units that are involved in the redevelopment for rent-geared-to-income people, providing opportunities for others to purchase, and changing the whole culture of the community to give people who are there some hope for the future.

That's one of the ways we're looking at redeveloping and turning the Ontario Housing Corp back into the private sector. It's a way to improve the lot of life for people who, quite frankly, have had a pretty tough haul over the last few years.

I think it's John Sewell, who is a member of your party—

Mr Bisson: I signed him up.

Mr Curling: A dreamer.

Hon Mr Leach: Well, you might call it a dream. I think it is a good dream as well, and it's a dream I hope comes true because it's a dream many people in Regent Park are trying to hold on to. That's what this government is trying to do. We're trying to give hope to some people that are out there. By the way, I should clarify that this deal is a long way from being finalized, but I'm pleased with the progress to date. We would commit to ensure that the same number of people who are in rent-geared-to-income at the present time would still have the opportunity to do so there. It would be a mixed development which would fit right into the Cabbagetown atmosphere.

That's some of the things we're proposing to do.

Another thing you mentioned, and this is something I agree with you on, is that rent control could be done better. You must agree with that because you voted against the rent control proposals that were brought in by the previous government. We agree with you there. I think the rent control system could work better as well. It's just a matter of how we go about it. But I am glad you agree that it should be fixed.

Mr Curling: It should be improved.

Hon Mr Leach: It should be improved. It doesn't work. The one we have now doesn't work. That's what we're saying. The rent control system doesn't work. It should be fixed. I have said repeatedly that we're not going to do anything with the current flawed system until such time as we have a system that's going to provide better protection for tenants but I'm glad you agree that it has to be addressed.

Interjection.

The Acting Chair: The minister has the floor.

Interjection.

The Acting Chair: Not simultaneously.

Hon Mr Leach: He wants to use his 30-second little slots there, just drop them in.

One of the problems I have with the current system and the way the system has worked is that tens of thousands of people are on the waiting list, and have been there for years, through the full term of the previous Tory governments, of the Liberal government, of the NDP government, people who are paying 50%, 60%, 70% of their income for accommodation and get no help at all. Something has to be done with those. Why do we have a system that only responds to the luck of the draw?

If you're lucky enough to be one of the people who gets to be able to get into a unit that's subsidized, then you're okay. If not, you can stay—there have been people on the waiting list for years—years.

Mr Bisson: It's not a draw. It's a point system. There's a hell of a difference between a draw and a point system.

Hon Mr Leach: What happens to those people who—

Interjection: Buy a lottery ticket.

Hon Mr Leach: Yes. Every time they just about get the brass ring, bang, in comes somebody else who says, "Back to the bottom of the list." What happens when you choose to move when you're on a waiting list? You happen to have a unit in downtown Toronto but you want to perhaps go out to Peel to be closer to friends or relatives. You have to go on to another waiting list and maybe wait another 10 years before you get something. This system doesn't work. Quite frankly, I hope the three of us have an opportunity to sit down and try and develop a system that does work, because this one doesn't. That's all we're saying. This one doesn't work. We've tried it. We put it in. You made changes to it. The NDP made further changes to it. I think we have to admit, collectively, this doesn't work, so from there.

Somebody mentioned meeting with tenants. I've met with tenants' groups. I made a commitment with the federation of Metropolitan Toronto tenants months ago that every time I met with representatives from the landlords' groups I would meet with them one on one. If I meet with landlords' groups, I'll meet with tenants' groups. That's the commitment I made to them. Phone him. Ask him. His name's Hank.

You made the point about big developers making a lot of mistakes as well as the people in the co-ops. You've got to be careful. I'm not knocking the co-op sponsors because, as I think I mentioned in my remarks, they're well-intentioned. There are a lot of church groups, there are a lot of other groups. What they lacked was experience. They didn't know what the hell they were getting into. They were stumbling from one crisis to another crisis. It's not that anybody went in with any intent to do something wrong; they just didn't know what they were doing and, quite frankly, some of them were taken advantage of. That's where the problem arose. The other major difference between the big developers like the Bramaleas and so forth is it's taxpayers' money that went into the co-op program.

Mr Bisson: Where did they get the money from?

Hon Mr Leach: Probably shareholders.

Interjection.

Hon Mr Leach: But that's done by choice. It's done by choice. Nobody came and asked me if I wanted to subsidize \$10,000 a year for every co-op. Well, they did ask me. I said no, and that's how I got elected.

Does the name Ataritari ring a bell? If you want to talk about mismanagement, we just had to write off \$340 million on a plan that was just fired out. "Let's do something good. We'll go out and spend a couple of hundred million bucks." What happened? It ended up putting thousands of people out of work. It's got a whole section of the community in my riding that's just sitting there dormant. Not a thought was given to what the implica-

tions were of doing all that. Probably the worst land deal that was made in the history of man, except for maybe Manhattan, but it comes close.

You agree, I think, and I agree again with you, that rent control alone—you're going to be surprised at how many things we do agree on. Changing the Rent Control Act alone is not going to stimulate new rental stock. I agree with that. For example, I can't understand why on apartment construction you pay 7% tax and on a condo you pay 4%. It doesn't make any sense. That's got to be fixed. There are any number of things. Development charges is another good example.

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There are a whole pile of things in the Rental Housing Protection Act and the Landlord and Tenant Act as well, little things, not huge things. There are many, many good things in those pieces of legislation, but there are other things that directly inhibit the people in the building business from going back in. That's all we want to do.

I think you have to admit that we've got a problem, and I'm using the city of Toronto as an example, where you've got thousands more tenants coming in every year and no more buildings going up. No wonder there's a zero vacancy rate, or almost. There haven't been any new apartments built, or very, very few, in the last 20 years. What are these people going to do? If we're going to give tenants a choice of types of accommodation, we have to find some way to entice the private sector back into the building business. I agree, rent control is just one of the issues. I think on page 17 of my remarks, if you note, I said that. It is one of the barriers. It is not the total barrier, but it is one and it's one that's going to have to be addressed.

I touched on this point before. One that really bothers me the most is the people who are on the waiting list, because I get calls from them. As Minister of Housing—and Mr Curling would know this, I'm sure—when you're Minister of Housing people in your riding think that you can snap your finger and solve that big problem of being on a waiting list for years.

Interjection.

Hon Mr Leach: Well, maybe the Liberals used to juggle with the lists, but we don't.

It's really one of the most difficult things I have to deal with, when I get somebody who comes in who's paying well in excess of 50% of their total income in rent and has been on a waiting list for four years, who really needs help. They say: "Can you help me? What can I do?" You say: "Where are you now? I can find out where you are in the list. You're 7,012." Something has to be done to fix that program, and I think we're all going to agree on that.

Shelter subsidies I believe is an opportunity to do that, to be able to, say, give a subsidy to an individual so you can say, if you're living in Toronto now and you want to move out to Peel or you want to move out to Scarborough to be closer to your family, or whatever, you can do that. You're not in a position where you're stuck in a unit because you've got a subsidized unit and if you leave that unit, you're out in the cold. You're back on another waiting list for another 10 years. What does that do? Something's wrong with that system. That has to be fixed.

The co-ops: You mentioned that if we do a subsidy like that, what does the taxpayer get back? The taxpayer right now is going to spend billions in subsidy—\$856 million, I believe the number is, or \$852 million a year in subsidy for co-op housing, and at the end of 35 years, what does the taxpayer get for that? I'll tell you what he gets. He gets zip. He gets nothing. The building, the whole complex ends up in the ownership of the co-op. The taxpayers have spent \$10,000 a year for 35 years on average and get zip. There's something wrong with that program. There's something wrong with that one.

You mentioned that they pay \$270 a month on what is \$1,000 rent, from the numbers you were kicking around there, something like that. Right now the taxpayers pay 70% of the operating costs of a co-op.

Mr Curling: Who's a taxpayer?

Hon Mr Leach: I'm one, everybody in this room is one.

Mr Curling: The same one who's renting pays for the taxpayer.

Hon Mr Leach: So you're saying that a select favourite few should get handed \$10,000 a year in subsidy. A select few should get \$10,000 a year in subsidy while there are tens of thousands of others waiting on a waiting list who get zip, get nothing, and have been there for years. Is that fair?

Mr Curling: Everybody's a taxpayer, I'm trying to say.

Hon Mr Leach: Those people on the waiting lists are taxpayers too. Those people who are paying 50% of their salaries for shelter are taxpayers and they get no help, while others who can make a large income—people in co-ops are not restricted to the level of income. You can have somebody living in a co-op who can make any amount of money.

Mr Curling: They pay market rent.

Hon Mr Leach: Get a life. Come on, get real here. Market rent in a co-op bears no relationship to the operating cost—none. The operating cost on average for a co-op is \$1,250. The average rent is about \$800; \$350 to a guy who could be making \$100,000 a year. He's still going to get the advantage of that \$10,000-per-unit subsidy, while those other guys who are making minimum wage, on a waiting list, have been waiting years. And you think that's a system that works? Well, I don't.

So I'm quite prepared to get into this debate, I'm quite prepared to get into the answers on this program, but I'm also quite prepared to sit and work with you, because I think we're all going to agree in the end that there's a better way to do this. There has to be a better way to do this and it's our obligation, as members of this Legislature, to find it. That's what this process is all about.

The Acting Chair: We'll start the rotation with the official opposition, Mr Curling, for half an hour.

Mr Curling: Minister, your arguments don't really wash and I'll prove to you that they don't wash. First, you consistently tell me that the government is awful people who have mismanaged the operation of non-profit housing or the housing business that they are in. They mismanaged it terribly, and you intend to fix it all up and then give it to the private sector. Wouldn't it make sense if you cleaned up your act and kept it? By cleaning up

your act, you'd reduce all overhead expenses and then you'd be able to run it efficiently.

You tell me that somebody who's making—well, you didn't use a figure—a high income and is in a co-op, and you tell me the operating expense is high. Is it the fault of the tenant that your operating expense is high or is it the inefficiency of the administration? The fact is that the person in the co-op who is paying \$1,200, for instance—if they're at market rent—for a two-bedroom or three-bedroom can go across the road in the private sector and rent for the same amount in the private sector. You're saying, "Oh, we have a higher cost." Then get real, we've said to you and your administration, clean that up and don't blame the bad management on the tenant and don't beat up those who are paying market rent. You know the concept, why they are paying market rent in the co-op. There are others who are subsidized. So don't tell me that I must get real, or get a life, or what you attempted to say. I know what life is out there on that.

Do you think the government is running the non-profit housing business efficiently?

Hon Mr Leach: No, the government wasn't running non-profit housing efficiently and that's why we wanted to get out of it. But I'm glad you agree that we have to start working efficiently and we have to cut costs, because that's what our economic statement on November 29 said, that we have to start working efficiently and we have to cut costs.

Mr Curling: But why are you blaming—

Hon Mr Leach: Let me answer the question. You started talking about economic rent and market rent. The average market rent, what is classed as market rent, is about \$750 to \$800. It bears no relationship to the operating cost of the co-op. The operating cost, the economic rent, is about \$1,150. The balance of taxpayers, including all the people who are on the waiting list looking for help, are subsidizing that, and that's not right.

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Mr Curling: As I said, you're going to clean that up—

Hon Mr Leach: We are—we did. We stopped it. We stopped the boondoggle.

Mr Curling:—and then you're going to give it to the private sector, when in the meantime you could have made that—

Mr Bisson: Alvin, he's missing the point here.

Mr Curling: Yes, right.

Hon Mr Leach: I'm trying to figure out what the point is.

Mr Curling: The incompetence of your staff or incompetence of the organization is being blamed on the tenants. That's what you're doing in saying that those people shouldn't be there, they should go to the private sector. I will leave that point and maybe it will sink in to you a bit later on.

I want to go to a very current happening—and I won't touch Regent Park yet. I will come to that and I have my views about that. Homelessness: It is said that there are about 20,000 people outside there in the streets who are homeless. What responsibility do you take for that?

Hon Mr Leach: I don't think all the homeless people, the unfortunate people who are out there, have come in

the last 24 hours. But I can tell you one of the things that would help them: If they had a shelter allowance system that would give them the ability to move around and find places for accommodation, it would be a big help.

Mr Curling: I'm going to bring you back in focus, Minister. This is the idea: I want you to understand the constituency that you serve. Those homeless people are not the type of homeless people I'm talking about, who need accommodation and can't find a rental unit.

Hon Mr Leach: Are we talking about the estimates of the Ministry of Housing or are we talking about the responsibilities of the Minister of Community and Social Services?

Mr Curling: We're talking about the estimates of the Ministry of Housing and how you handle this wonderful, big, huge budget to address the needs of people who need homes, who are homeless in every way, and this huge staff you've got here, the millions of dollars you're going to spend on getting affordable housing to people. That's what I'm speaking about, how you spend that money. I'm asking you first, before I ask you in other detail, about what responsibility you take in the sense that 20,000 people are homeless out there, and you're telling me you're going to give them subsidy and maybe they'll find accommodation out there. That was your response: Shelter allowance will solve that.

Hon Mr Leach: It would go a lot further than anything either of the two previous governments did, I can tell you that.

Mr Curling: Wonderful. I see them walking around with cheques in their pocket and saying, "We'll find accommodation."

Hon Mr Leach: Well, having the ability to be able to pay some rent or having nothing; let me give that option to them and see which one they choose. You gave them nothing. We're at least willing to look at a policy that would assist them.

Mr Bisson: Al, lighten up.

Interjections.

The Acting Chair: Order. Mr Curling has the floor.

Mr Curling: The solution to the homeless then, we'll have to wait until—

Mr Bisson: Get all the people in Regent Park to take a cheque.

The Acting Chair: You'll have your opportunity, Mr Bisson.

Mr Curling: If that's the case now, when do you see some of those people out there, some of them who are dying on the streets because there's no place to go—

Mrs Ross: Oh, come on.

Mr Curling: They're not dying?

Hon Mr Leach: This is really a stretch.

Mr Curling: I was trying to make the point that some people are dying on the street because—

Mr Baird: Did they die when you were minister?

The Acting Chair: This works a lot better if we have one person speak at a time.

Mr Curling: Minister, just to kind of ease the ire of your colleagues in your party, they die whether it is NDP, they die whether it's Liberals, they die whether it's Conservatives, so don't get antsy. People are dying on the street because they are homeless, and I'm asking you as

the minister, what are you doing? How do these estimates, the spending, address that kind of need there?

Hon Mr Leach: Actually, what you're looking at are estimates that were put forward by the previous government, but what we're going to do that's going to improve upon that is that we're in the process of developing a policy for people with special needs. And believe me, I've got a little bit of knowledge about this because we have more people with special needs in my particular riding probably than any other riding in Ontario, special needs for the hard-to-house, special needs for people with problems recovering from alcohol, special needs of people who have mental problems.

That's the kind of program we want to develop. We want to develop a special-needs housing program that would provide assistance for people who fall into those categories, and that's under development by the ministry staff at the present time.

Mr Curling: You're thinking about this, so you'll want to do consultation. You have no plan right now?

Hon Mr Leach: Oh, you don't want us to have consultation with anybody? Is that what I heard you say? We shouldn't consult with anybody before we adopt this plan?

Mr Curling: I said you have no plans now.

Hon Mr Leach: I said we're developing plans, but I think we would like an opportunity to go out and get input into what we're developing to make sure that it fits the needs of people. We want to talk to the people who serve people with special needs.

Mr Curling: I want you to consult, of course. I don't think I believe you will consult, but I want you to consult, because all of a sudden consultation is a role of this government now.

Hon Mr Leach: I thought you just wanted us to implement our plan.

Mr Curling: No. I just asked you what plans you have in place. You said you wanted to consult. That's your plan.

Hon Mr Leach: I said we were developing a policy. It's under way at the present time. We're meeting and consulting with people who are involved with people with special needs, and we'll do that. When we find out the best way and method in a very short period of time of what that should be, we will implement it—something that hasn't been done for the last 10 years.

Mr Curling: It looks like there are 10 years where nothing happened, not a thing at all.

Hon Mr Leach: Lots happened; not very much right, but lots happened.

Mr Curling: All of a sudden nothing has been done in the last 10 years.

Could you tell me about your interministerial committee? What are the other ministries that work with you? Is there an interministerial committee that sits down and works out some of your strategies of how you're going to address the needs of your mandate, affordable housing and non-profit homes that are being built?

Hon Mr Leach: Yes.

Mr Curling: Who are they? What do they do?

Hon Mr Leach: It's a subcommittee of P and P, policy and priorities.

Mr Curling: Yes, but who are they?

Hon Mr Leach: Who are they? Snobelen, Tsubouchi, Elizabeth Witmer and myself.

Mr Curling: You're not quite sure which ones.

Hon Mr Leach: I just told you which ones. You should start to listen more, Alvin.

Mr Curling: I'm going to listen keenly now. You tell me again, because maybe I wasn't. I just want to know which ministries and who the ministers are that are the interministerial committee. I heard you say Snobelen; you grumbled about Snobelen, and you grumbled about Witmer. Who else? I don't hear Wilson or Health; I don't hear Comsoc.

Hon Mr Leach: Tsubouchi. There's a group that is involved in the social side of policy development that is a subcommittee that works closely together to ensure that all ministries in government have input into policies that are developed.

Mr Curling: I'll tell you, Minister, why I'm getting more concerned. To deliver affordable housing and to get to your philosophy, which we all want to do, so that we don't address bricks and mortar, we must work very closely. I'm sure you must be working very closely with the other ministries—the very thought that you sit down and you face them so often—that you could easily say, “The ministry or the ministers and I who sit down daily to combat and to deliver affordable housing to the homeless, to those in need are: the Minister of Community and Social Services, and we work on that aspect of it; the Minister of Health, so we work on that aspect of it.” That's what I wanted to know. You say to me Snobelen. What role does the Minister of Education and Training play in housing, then?

Hon Mr Leach: You don't think that education has a large part to play in housing policies?

Mr Curling: Minister, I'm the one who asks the question.

Hon Mr Leach: I can tell you right now that my firm belief is that education is one of the largest components of a housing policy: where schools are located, what types of schools, for whom, where, how far apart?

Mr Curling: So Transportation is there too? You've got to have roads to go to the homes.

Hon Mr Leach: Yes, sure, Transportation is a part. We don't exclude anybody from the consultation process. But there are certain ministries that have a closer relationship to social issues than others, and Education and Training is certainly one of them.

Mr Curling: So your interministerial committee has the Minister of Education and Training; the Minister of Community and Social Services, you said, Mr Tsubouchi I heard; and what other ministry again?

Hon Mr Leach: It's a subcommittee of the policy and priorities board.

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Mr Curling: But I really need to write them down because we want to address the problem of housing and affordable housing. I want to make sure that we carry out the mandate you're given. So you have Education and Training, you have Labour. Who else do you have?

Hon Mr Leach: Leach, Witmer, Tsubouchi, Snobelen; I think that was it. It's a subcommittee of policy and priorities on social issues.

Mr Curling: Yes, I know that. I know it's social issues. "Social issues" is rather general.

Hon Mr Leach: If there is a need, you can request other cabinet ministers to get involved. We also bring parliamentary assistants into the process.

Mr Curling: So you don't have an interministerial committee that you sit and meet with regularly? Like when those people died on the streets because they're homeless, you would address that with your monthly meeting or your quarterly meeting with the Minister of Community and Social Services and the Minister of Health, because some of the ex-psychiatric people may be straying on the road, who has a home, to sort of see that things are coordinated. You don't have that?

Hon Mr Leach: That's what this does.

Mr Curling: I seem not to get an answer out of you that way.

Hon Mr Leach: I don't know how many times I have to tell you that we have a subcommittee of the policy and priorities board that is responsible for social services.

Mr Curling: I will leave that, Minister. I will then put down that you don't know.

Hon Mr Leach: I'll put down that you don't understand.

Mr Curling: Put it that way too, Mr Minister. When you've told me—I don't understand what you're saying.

Hon Mr Leach: I don't think so either.

Mr Curling: Let's go back to Regent Park. Is the policy paper out on what you're going to do with Regent Park, the direction you're going to go? Is that up for consultation now or is this being done? Is it a done deal?

Hon Mr Leach: It's not a done deal. There is a paper that has been published to the community and all of the interested parties. It's a public document. It was put together by what I'll refer to as the Sewell group. They've been meeting since last September. They've held I think 15 public meetings. They printed their submission in about five different languages. It outlines the various options. It also outlines the various tasks that have to be carried out in the future. It's quite an interesting concept.

Mr Curling: So the document, you said before, has been handed to you as the minister now and you went off consulting, or it is something—

Hon Mr Leach: It hasn't been presented to me as minister, as of yet. It's been presented to the community. It's been discussed or is in the process of being discussed with the city of Toronto, which has been involved from a planning standpoint. It has been discussed with the Ontario Housing Corp. I have had several meetings with the participants, including the residents' groups, to keep track of the progress and it's proceeding quite nicely.

Mr Curling: So I don't misunderstand, as you feel that I don't get it all the time: When you started doing your statement you said, would I disagree with the Regent Park program? So would I get it that you agree with what they're doing?

Hon Mr Leach: Yes, I think the concept has a great deal in favour of it. It's a way to redevelop a social housing project by involving the private sector and the residents, ensuring that there is accommodation for those who need it while integrating it with the balance of society.

Mr Curling: Will it still be a social housing project when you decide to sell off Regent Park?

Hon Mr Leach: One of the commitments is that there has to be a one-for-one rent-geared-to-income unit for every one that is replaced. This will give an opportunity to people in Regent Park to redevelop that community, integrate it with society, very much like many of the neighbourhoods in Cabbagetown, for example, where you have very expensive \$300,000, \$400,000 and \$500,000 units next door to rent-geared-to-income units. So here's an opportunity to take a social housing project that has outlived its useful life pretty well and redevelop it for the benefit of all society.

Mr Curling: Will you be selling off Regent Park to the private sector?

Hon Mr Leach: This is a redevelopment project that involves the private sector. The details of who would own the land, who would own the buildings, are being discussed now with the four major players: the developers themselves; the federal government, CMHC; OHC; and the city of Toronto. All of the players, all of the various levels of municipal government are involved, the tenants are involved and the developers are involved.

Mr Curling: Will the government of Ontario have an interest of investment money in it?

Hon Mr Leach: Right now the Ontario Housing Corp is the owner of the buildings.

Mr Curling: I know that. After this new plan is completed, will the Ontario government have shares?

Hon Mr Leach: That's yet to be determined. As I said, negotiations are ongoing with all the various levels of government. We have to find out what the position of the federal government is; we have to find out what the position of the local government is; we have to take a look at what changes in infrastructure are required for streets and services and sewers and so forth. That is all under way at the present time. The government of Ontario is a player in that game and we're at the table, and I'm glad we are.

Mr Curling: Are you prepared to own shares, the government of Ontario?

Hon Mr Leach: As I said, those details haven't been finalized as of yet. If there are ways and means of the individuals involved, all with ownership, let's see what happens, but let's go to the table. It's called consultation.

Mr Curling: So it's not done yet. I just want to understand it, because sometimes I get the impression that the deal is already done when you say you disagree. You have explained that there will be consultation, and I just want to know what role the government will be playing in it, whether it would have investment and be owning some aspect of it. How do you see the tenants owning this? I heard a statement that you will give the tenants the first choice to purchase. Is that one of the options being considered?

Hon Mr Leach: Yes. I think tenants should have an opportunity to purchase if they so choose. That would be their option, and I think they should have the opportunity. I don't think that opportunity should be denied to them.

Mr Curling: Will they be asked to pay a deposit? Some people will not be able to come up with a deposit,

I'm sure. What kind of process do you see them participating in paying down and buying into this project?

Hon Mr Leach: As I said earlier, none of the details is worked out, but I want to assure you that we're going to give tenants the opportunity to purchase if they choose to. If they're in a position where they cannot purchase, then we've also indicated that we're going to ensure that there are rent-geared-to-income units on a one-to-one basis for each one that's being replaced.

Mr Curling: So the rent-geared-to-income would be the government owning some of that and the tenants who can't buy will be renting from the government again.

Hon Mr Leach: The rent-geared-to-income could work with shelter allowances.

The Acting Chair (Mr John R. Baird): Mr Curling, could we ask you just to move into the mike so that Hansard can get you.

Mr Curling: I thought I had a booming voice. They say I can boom over everything. I'm sorry.

Is the concept that you're going to do for Regent Park the same concept you're going to do for the other units you have that are owned by the Ontario Housing Corp?

Hon Mr Leach: It's certainly one that could be explored. I think it's got a lot of merit. This is a good opportunity to see how well this would work, where the benefits are, where the problems are. It's being looked at and reviewed by all of the tenants' associations to make sure that people who live in social housing at the present time in Regent Park understand and appreciate what the changes mean for them. We're giving everybody an opportunity to have a part to play and a piece to say in redeveloping their community.

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Mr Curling: So after you sell off Regent Park to some tenants who can afford it and the private sector who really is able to afford it, you will move to do the rest of the Ontario Housing units in the same way.

Hon Mr Leach: By doing that, what we've said in this particular redevelopment proposal is that we will ensure that there are the same number of subsidized units, rent-geared-to-income units, when the development is completed as there are now. So there won't be anybody who has a rent-geared-to-income unit now who wouldn't have an opportunity to have one in the future.

Mr Curling: The reason that I'm asking you those questions in a bit more detail—and I respect the fact, as you said, that your program will have some consultation, you haven't formulated a strategy—you have scared the dickens out of your tenants out there.

Hon Mr Leach: No, I haven't; others have.

Mr Curling: You have, your statements have, and you have to own up to that.

Mr Preston: It's a misinterpretation of his statement.

Hon Mr Leach: Others have.

Mr Curling: No, you told them that you're going to rid of rent control and then when you're pushed to that extent, you say, "Well, we've got to find something that is fair." People were phoning—

Hon Mr Leach: Mr Curling, I think the very first question that you asked me in the Legislature is, "What are you going to do about rent control," and I said that we were going to get rid of it but we weren't going to do

anything with it until such time as we had something that worked better.

Mr Rollins: Right.

Mr Curling: Let me tell you something. As I—

Hon Mr Leach: You have a very selective memory.

Mr Curling: No. You said that, of course. There is no selective memory in this regard. I want to note about your selective memory that during the campaign you said you would certainly not get rid of rent control, it was so sacred, rent control.

Hon Mr Leach: Are you talking about the blue one? Get the blue flyer. Is that the one you're going to produce?

Mr Curling: No, no. This guy, would you sell a car to—no. The Common Sense Revolution book where you talk about your rent control. I'm saying that you're saying—

Hon Mr Leach: I don't think there's anything in there about rent controls.

The Vice-Chair: Can you move up, Minister? We can't quite get you.

Hon Mr Leach: Yes.

Mr Curling: They want you. Your voice is escaping from the mike.

At one stage they got the impression that they would not get rid of rent control. The question I asked in the House is to make it plain, because I say there are people outside there who are concerned about you musing around the place afterwards talking about getting rid of rent control. That's what was the view. When I asked you, you said you intend to look at rent control, and you won't do it until you replace it with some other means that are—I'm paraphrasing what you said.

Hon Mr Leach: Mr Curling, you just agreed not more than 20 minutes ago that the rent control system doesn't work and that it should be fixed.

Mr Bisson: It's okay, he's a Liberal, he can do that.

Interjections.

The Vice-Chair: Order.

Hon Mr Leach: I asked you a very deliberate question: Do you think the rent control system should be improved? You said it should be improved. It doesn't work; we've got to fix it. So we're in agreement on this issue.

Mr Curling: I'm always tolerant to those on the left who will give away everything and don't have accountability, and on the right who say we don't want to be in government, we'll give it to the private sector. We ourselves are saying there is a balance that can be done here, protection.

Hon Mr Leach: That's right. Again, I agree with you. There is a way to balance the system to ensure that tenants are protected and that there are incentives to get the private sector back into the building business. You have to have that balance.

Mr Curling: Spoken like a true Liberal.

Mr Baird: Unparliamentary language.

Mr Curling: I said, Mr Minister, and Mr Chairman, the reason why I go through that in that detail is because people are concerned out there. They feel that you have not been a friend to them; they feel betrayed by the minister, who should be supportive of and protecting their home; and they feel it's going to be sold off. That is why

I go into detail of when you're going to do this. That is why I go into detail that, are you going to have some sort of rent control? The reason I say that, you remember when we were in power too, we played with the name of it. We didn't call it rent control; we called it rent review so that people could be able to maybe don't get panicked about all of this left wing—like we only protected tenants and not the landlords.

I understand, and that's why in detail I wanted to say that people are very anxious out there. There are many seniors who fear what they're hearing, their homes are going to go very quickly, and where are they going to go?

Hon Mr Leach: Again, that's why we're in agreement. I think we both agree that there's a need for additional housing stock. Now what we have to do is find the way to create that. You know, tenants don't get out there and build it. They need the private sector builders to do it. The private sector has to have the incentives to do that. There are many clauses in existing legislation that prohibit them from doing that, and what we want to do is develop a program that is going to provide benefits and protection to tenants while encouraging the private sector to build; and we will do that.

The Vice-Chair: Thank you, Mr Curling. Your time has elapsed. Mr Bisson.

Mr Bisson: Let's go back a bit. Why don't we start with new unit developments in the non-profit or co-op housing.

You make the statement, and you did it in your opening summation and you did it in your response to both the opposition critics and then again in the exchange that you just had with my colleague from the Liberal Party, the Housing critic, and you made the statement that non-profit and co-op housing is unfair because the actual market value rent of the co-op doesn't reflect adequately the cost that it really does cost to provide that unit. You used the example, and I agree with you, somewhere in the neighbourhood of about \$800 a month that I would pay on a rent-geared-to-income unit and the actual cost is somewhere around \$1,100. Right?

Hon Mr Leach: Yes. It's in that neighbourhood.

Mr Bisson: And your argument is that that shows inadequacy. That shows that the system is not fair.

Hon Mr Leach: That's true. It provides subsidies for a select group regardless of financial circumstance, when there are many others in society who need help and can't get it. That's the unfairness part.

Mr Bisson: Okay. All right. Put on your developer's hat.

Hon Mr Leach: Never took it off.

Mr Bisson: You're going to go out and get a piece of property—ch?

Hon Mr Leach: Never took it off.

Mr Bisson: Never—that's an admission. Where's the Hansard? We need that one. Say that again.

All right, put your developer's hat on; you never took your developer's hat off. Now just turn the corner and be a developer for a second. You got a piece of property, you're going to develop it, you're going to put an 100-unit apartment building on it, the same kind of standards that exist today in regard to building standards as what a

co-op would have to go through. What would you have to charge on a 25-year mortgage in order to be able to bear out the cost of that unit? What would be the rent having to charge?

Hon Mr Leach: Yes. We've had this conversation before, and that's why I said there's more than one issue that has to be addressed to get the cost of building down. Don't compare the cost of building a co-op—

Mr Bisson: No, no, but this is the whole point, Minister. Hold it a second, here.

Hon Mr Leach: The whole point is—

Mr Bisson: No, no, this is the whole point. Hang on. I ask the questions and you answer.

Hon Mr Leach: Yes, but you won't let me answer.

The Vice-Chair: Order.

Hon Mr Leach: First of all, you let me answer the questions. You said, "Put your developer hat on, and tell me how you would go about that."

Mr Bisson: And the question is, how much would you have to charge for each of those units in order to recoup your cost?

Hon Mr Leach: Under the existing legislation that's out there and under the policies that are there now, I don't think that you could build a unit that you could rent at a reasonable rent. That's why the legislation that's presently there has to change. That's why you have to get rid of the 7% tax and development charges and so forth that are detrimental to the building of these—

Mr Bisson: You know and I know that if you go out and build an 100-unit apartment building in the city of Toronto or in Timmins and you charge the rent that is necessary for you to recoup the cost of building that unit, paying all the development charges, paying the 280% tax you would have to pay in municipal taxes to cover the cost of tax, all of that, you'd have to charge somewhere in the neighbourhood of about \$1,100 a month.

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Hon Mr Leach: Yes.

Mr Bisson: All right?

Hon Mr Leach: I agree.

Mr Bisson: And that's what it's costing—

Hon Mr Leach: Again we agree.

Mr Bisson: No, no, but that's the point. That's what it's costing the co-op in the actual costs of that unit, and the point is that the argument you make is a facetious one. Wouldn't you agree?

Hon Mr Leach: No, I wouldn't agree. I wouldn't, no.

Mr Bisson: Because what the \$1,100 reflects—

Hon Mr Leach: You ask me if I agree and then you never give me an opportunity to answer.

Mr Bisson: No, hold it a second. Let me finish—

Hon Mr Leach: You ask questions; I answer.

Mr Bisson: Let me finish asking the question and then you get a chance to answer.

The Vice-Chair: Mr Bisson, order.

Mr Bisson: No, I haven't finished asking my question.

The Vice-Chair: We're going to have to be a little more concerned about allowing somebody to answer a question—

Mr Bisson: I haven't finished asking my question.

The Vice-Chair: —and allowing somebody to ask a question.

Mr Bisson: I haven't finished asking my question.

The Vice-Chair: We need to do that. Otherwise, Hansard will get it all confused—more than it already is.

Mr Bisson: It's very simple. I will say I'm finished asking the question and then you can answer it. How's that?

Hon Mr Leach: Okay.

Mr Bisson: The point I'm getting at is that—

Hon Mr Leach: Let me know when you finish.

Mr Bisson: The point is simply this: You go out and you build an apartment building with 100 units in it. The cost of building that whole unit and charging back what you need in your rents would dictate that you have to pay somewhere about the same cost as what would be the actual cost on a co-op. There's no difference.

But the point I'm trying to get at here is that you're saying the difference between the market value of what's charged, which is a subsidy that we pay through the Ministry of Housing to the market value rent, because there's a policy there—and we'll get into that a little bit later, why we do that. We do pay the difference. But you can't come in here and start arguing it's because it's non-profit and it's because of the co-op and they are somehow adding the cost from the \$700 to the \$1,100, because you and I know the actual cost reflects what the actual cost of building is. It has nothing to do with the subsidy that we pay.

So the question I'm asking you is simply this here: If you were to go out and to build a unit out somewhere in Toronto, wouldn't you have to charge about the same amount of money as the full cost, the actual audited cost, would be of a co-op here in Toronto?

Hon Mr Leach: It would be close, but it wouldn't be the same.

Mr Preston: He didn't say he was finished yet.

Mr Bisson: I'm finished. Thank you. I appreciate that, Peter.

Hon Mr Leach: It would be close, but it's not a good comparable, because the standards that have been built in, the regulations for building co-ops, are far higher than they are for the private sector on energy. Energy features, for example, are mandatory in co-ops. There's a number of other standards that are compulsory to be included in a co-op construction which drive up the cost.

Now, taking that out, I agree with you the cost to build a rental unit right now is too high, and I'm saying—

Mr Bisson: All right.

Hon Mr Leach: I'm not—remember the rule.

Mr Bisson: Go ahead, finish.

Hon Mr Leach: You ask; I answer.

Mr Bisson: Yes, you finish answering.

Hon Mr Leach: Okay. What has to change is that you have to take steps to reduce the costs of building new rental stock. There are a number of things I have mentioned previously: the difference in the tax rates, for example, the different not just property tax rate but construction costs, from 7% to 4%. If we can move to correct these inequities in building rental stock, we'll entice the private sector back into doing it.

Mr Bisson: But the problem I've got in what you're doing here is that you're trying to mix in development issues, issues that you as a government and you as a

minister are trying to address. You're saying, and your position of your government is, there are all kinds of issues that face developers, that are typical to developers, that add to the cost of building an apartment building.

Let me finish. Whoa. Let me finish.

Your argument is that you have to address a whole bunch of issues around development of new units in the province of Ontario in order to make it competitive for the private sector to build. That's your argument, and those are development issues.

But you can't come into this committee and you can't stand here, as the Minister of Housing, and tell me that somehow, because market value rent is \$750 a month in a co-op, or \$800, where the actual value cost is about \$1,100, and try to build the impression that the difference somehow is the cost of the co-op, where you and I know full well it's an actual development cost and if that was a private sector development the rent would be \$1,100.

The difference is, and you know, that we have made a policy in this province that says in co-ops we want to be able to provide mixed housing, and one of the things we will do is that we will provide mixed housing at what we consider to be the market value—and there are formulas by which you come to what the market value is in the rest of the community—to attract tenants who are higher-income tenants in with lower-income tenants and we pay a price for that. That's part of the policy that was developed.

I guess where I've got the problem is that I'm saying if you want to address the question, if you want to address the difference of the \$300 in the co-op and you're saying that's the problem and that's the reason why we have to get rid of public sector housing and pay for private sector, because co-ops cost more, you can deal with that through the development issues that need to be addressed, according to your own words, and you don't have to get into selling off all to the private sector.

Hon Mr Leach: That's exactly what we've been saying. Get rid of those inequities and then you wouldn't need the billions of dollars in government subsidy. If you can eliminate those inequities in the high cost of putting up a building, then you're not going to need the subsidy for those who don't need it. We're subsidizing people who don't need subsidy.

Mr Bisson: But I don't know how to put it any plainer. The problem is that you're trying to mix into this—I'll let the deputy explain it to you here, all right? The problem that you're getting into—

Hon Mr Leach: You wouldn't want to hear what she had to say.

Mr Bisson: No, I will because I know she's a good deputy and she wants to give you—

Interjections.

Mr Bisson: Maybe I do. Anyway, the problem I have in your approach is—and we'll talk just about the non-profit stuff and keep rent control out of it for now—if you were to come to me and say, "We have a policy by which we want to make non-profit housing more affordable for the government and the taxpayers, and we want to find a way to increase the efficiencies about how they're run and make building costs cheaper so that the

private sector can compete head to head with the non-profit housing projects and where appropriate the non-profits will go on and where not appropriate the public sector will go on," I think we can have that discussion.

Hon Mr Leach: Well, maybe we can have that discussion.

Mr Bisson: No, you're coming to the people of this province through your job as the Minister of Housing and you're trying to use all the examples that you can that fit your argument about why you need to get rid of public sector housing. What I'm saying is, you're being dishonest to us and you're being dishonest to the people of this province in trying to make people buy the argument—

The Vice-Chair: Order. That's not an acceptable word to use. It's unparliamentary.

Mr Bisson: There's nothing unparliamentary about saying it's a dishonest approach; I didn't say he was dishonest. I would never infer the motive that the minister is dishonest.

Mr Curling: Confused.

Mr Bisson: Confused. The point is that you're trying to lump all of these issues together as the crux of the argument to support doing away with non-profit housing. I just want to put on the record, just before we get to the next question, that quite frankly, you're using it strictly in order to prop up your argument. The example that you use about the co-op being unfair is a facetious argument, at best. Wouldn't you say?

Hon Mr Leach: No.

Mr Bisson: Then come back to me and explain to me how that's unfair. Explain your logic.

Hon Mr Leach: I think it's unfair to provide in excess of \$10,000 subsidy per unit to every unit in a co-op when you have individuals who are living in that co-op who may not require any subsidy. I think that's unfair to the general taxpayer. I think it's unfair to the people who are on waiting lists looking for shelter assistance. I think that's unfair—

Mr Bisson: No, no, one issue at a time. Don't mix them all up. We're talking about—

Hon Mr Leach: You said, "Why is the subsidy to a co-op unfair?" They're the reasons why it's unfair.

Mr Bisson: No, no, we're talking about people who are paying market value. Okay? You explain to me your logic how it's unfair that they're living there at \$800 a month when you and I know that the actual cost is \$1,100. You explain to me the unfairness of that on the market value.

Hon Mr Leach: Let me make sure that I understand your question.

Mr Bisson: You better.

Hon Mr Leach: You're saying that the operating cost is about \$1,100 a month.

Mr Bisson: Yes.

Hon Mr Leach: The guy's paying \$750 a month.

Mr Bisson: Market value.

Hon Mr Leach: He could be making \$100,000 a year.

Mr Bisson: Or \$50,000.

Hon Mr Leach: But we're going to subsidize him anyway.

Mr Bisson: That's right.

Hon Mr Leach: You consider that to be fair and you don't consider it's fair that we look at a proposal to provide assistance to those who don't get any subsidy?

Mr Bisson: But then the point is, what you're saying is that you don't believe in mixed housing.

Hon Mr Leach: No, I believe in mixed housing, but I think that the person who is there who can afford to pay the actual operating cost of his unit should pay the actual operating cost of the unit, not ride on the backs of the taxpayer for \$10,000 a year regardless of what he makes.

Mr Bisson: Do you agree that in housing projects, either private or public sector, in this province we should take a mixed housing approach?

Hon Mr Leach: Yes, I do, and that's exactly what we're looking at in the redevelopment of Regent Park—exactly that.

1550

Mr Bisson: We know already that the new units are not being built because they're not economical. That's the issue. If I go out and build 100 units next to the co-op and I charge the full actual cost, I would have to charge \$1,100 a month to get that rent back. The point is that in building the co-op we've set in place a policy that says we'll pay the difference, because if you charge the \$1,100, everybody else's rent, buildings that were built before under lower costs, is \$750 or \$800. So how would you attract somebody into that co-op housing development if you charge \$1,100? That's why we pay the subsidy.

Hon Mr Leach: I think the light's starting to come on for you.

Mr Bisson: They've been off with you for a long time.

Hon Mr Leach: What we're doing, what I've been saying for about the last hour, is you have to get rid of the inequities that drive the cost up to \$1,100.

Mr Bisson: No, no, you're not answering my question.

Hon Mr Leach: I pointed out a number of the inequities that are there.

Mr Bisson: We'll come to development charges later. What we're talking about—

Hon Mr Leach: I'm talking about other inequities that are there. I'm talking about the property tax assessment, I'm talking about the tax on building materials. Get rid of those inequities and get the price down so that—

Mr Bisson: I said I recognize what the government is doing. The question I have for you is simply this: If you charge the actual cost of the co-op unit apartment price, the \$1,100, would any mixed housing occur in that unit?

Hon Mr Leach: It's quite possible that it could. Why couldn't it?

Mr Bisson: This is the point you don't seem to understand, that the units that the co-op is competing with are units that were built in the past under costs that were a hell of a lot lower and the rents are set at \$750 or \$800 a month. If I can get the same unit down the road at a 10-year-old building at \$750 a month and I'm going to pay \$1,100 in a market value co-op, where the hell do you think I'm going to live?

Hon Mr Leach: I know a couple of people who were on the taxpayer payroll, making about \$60,000 a year apiece, who chose to live in a co-op.

Mr Bisson: What's wrong with that.

Hon Mr Leach: Getting the subsidy, having the taxpayers subsidize them by about \$10,000.

Mr Bisson: But the point is, what you're failing to realize is—and this is what bugs me about this; talk to your ministry people and have them brief you—there is a policy in the province of Ontario, by the Ministry of Housing, a decision that was made that we wanted to encourage mixed housing in co-ops. That's what we wanted to do. You agree; you're nodding to the affirmative.

Hon Mr Leach: Yes.

Mr Bisson: To do that, if you had to charge the full cost of building that unit, you wouldn't be able to attract the people in because the rent would be \$1,100 a month, but that's the same cost that you would have if it was a private sector development. You follow?

Hon Mr Leach: Yes. That's why I'm saying, let's get the cost of putting that building up down.

Mr Bisson: But then why do you have to bail out of the non-profit housing project to make that happen? Deal with the development charges; don't deal with selling off the non-profits.

Hon Mr Leach: No, because the co-op housing project, as I said at the very beginning, was a good idea that just didn't work. It was filled with so much inefficiency, so much waste, it just got totally out of control. You had sponsor groups in there that went in with the absolute best of intentions to help people in their communities, and it turned into an absolute shamble, into a real boondoggle. The auditor's report is there. It's not our report; it's his report.

Mr Bisson: No, it's our report.

Hon Mr Leach: Hundreds of pages that just point out, time and time again, why this program was a mess.

Mr Bisson: You're repeating your lines, and I can't believe that you actually believe what you're saying.

Hon Mr Leach: I believe what the Provincial Auditor tells me, whether you do or not.

Mr Bisson: No, no, listen. I really don't know what to think of you any more. I thought you were a lot brighter than that. It's \$1,100 a month to build that unit. That's what the actual cost is, right?

Hon Mr Leach: Let's get the cost down. Think of that.

Mr Bisson: One argument at a time. The problem is that you're not following the logic of this. It's \$1,100 a month for the market value unit, for the co-op, right? Build it by the private sector. How much would that unit cost the renter? It would be \$1,100. So the co-op didn't cost more money to build because it was a co-op; the cost is a reflection of the actual development charges and everything else. What I'm saying to you is that the reason that we're paying that subsidy, the difference of the \$300, or whatever it might be, is because we chose as a province that we wanted to have mixed housing. To be able to be in sync with all those other units that are out in the market that were built 10 to 15 years ago, you have to provide that subsidy. You, as minister, should know that.

Hon Mr Leach: I think the very first words I said when we started this debate were that the cost of co-op units are higher than private sector units because of standards that are placed on the development of co-op units. That drives the cost up quite a bit.

Mr Bisson: Let's move this ahead. Let's go to that issue. Are you then saying, as the Minister of Housing, that you want to build units that are of a lesser quality and lesser standards for the renters of this province?

Hon Mr Leach: The standards that are put into co-ops, should be the same standards that apply to all buildings in Ontario. Whether it's private sector or social housing or whatever, you should have a set of standards that apply to that building, not gold-plated.

Mr Bisson: All right, but are you saying that the private sector should meet the standards of the co-op or the co-op should drop down to the standards of the private sector?

Hon Mr Leach: I think that the building code should apply to construction and that all units of construction should fall under the same set of rules. I think you would agree that there are many conditions in co-op housing that would be looked upon as somewhat extravagant if you were doing it in your own home, for example.

Mr Bisson: So what you're saying is—and I want just a yes or a no—drop the standards for the non-profits down, if you were to do it today, to the current standard of what the private sector has to meet, the same standard.

Hon Mr Leach: Yes.

Mr Bisson: Don't you recognize that one of the reasons there's a higher standard in co-ops and in non-profits is because the Ministry of Housing, through policy of the Ontario government, wanted to make sure that we take the lead in certain areas to develop the attitude that is necessary so that we can have a vehicle by which to show us examples of changing the standards in buildings in this province? Accessibility?

Hon Mr Leach: That was a really smart move, because what you did was drive the cost of construction out of sight so that nobody can afford to build it, and if they did build it, nobody could afford to rent it. That's what you did by putting in gold-plated standards. I mean, you just drove the cost of construction up and then you stand back and say: "My goodness, nobody is building anything. What a surprise."

Mr Bisson: I'm amazed how little you know about your ministry. I'm really amazed. You know absolutely nothing about housing. You weren't kidding; that's the scary part.

Hon Mr Leach: I originally thought you knew what you were talking about, but it didn't take long to—

Mr Bisson: No. First of all, the standards that are in place for building private sector housing developments are standards that have been set in place over a period of years, that weren't all put in place by the bad old NDP government. It's stuff that has evolved over the years. But the point that I'm trying to make here is that we set a higher standard in co-ops and in all non-profits because we said, "We don't want to put more onerous controls than we need to in the private sector when it comes to building units."

Let me give you an example. When it comes to accessibility, we have certain standards that we meet that are higher than what you would meet in the private sector when building co-ops, because we say we want to show what could happen in regard to trying to do good developments when it comes to dealing with accessibility

questions. So we try the standards out within the co-ops to see if they work or they don't work. In some cases they worked—in most cases I would argue they did—and in some cases they didn't. But then we can look at that and the experiences that we learned as examples of what we need to do in the private sector's standards. That's how we developed the standards for building in this province. That's one of the ways. Don't you recognize that's part of what was the policy?

Hon Mr Leach: I think the way that we would do that is we would consult with the disabled community, as was done when the standards for accessibility were put into the building code. Now, are you sitting there telling me that you think there should be better standards for co-op housing than there are in the building code? Is that what you're telling me?

Mr Bisson: What I'm saying is that I recognize that what we've done with co-ops and non-profits is that we've allowed them to be built with tougher standards in order to learn from the experience of those standards about how they apply and how they work once they're in place. Then we take those lessons that we learned and we put them into the private sector standards. That's what it's all about.

Hon Mr Leach: If it's a lesson learned, then it was a bad lesson, because what we learned—

Mr Bisson: Oh, my God.

Hon Mr Leach: —was that we drove the cost of co-op housing up to a point where we now have got the taxpayers in for a billion dollars a year in subsidies, \$10,000 a unit.

Mr Bisson: Did you guys brief this guy, or what?

Hon Mr Leach: You think that's a good policy, to drive the costs up so that it's so expensive that we can't afford to build any more? Is that a good idea? That's what you're saying.

Mr Bisson: No, that's not what I'm saying. You don't really understand, do you? You don't understand. Why don't you just say, "I was right at the Ontario municipal association, and what I know about housing could fit at the end of a pin." Say it again, Al.

Hon Mr Leach: It would be more than you know.

Interjection: Got you.

Mr Bisson: We'll see who got who when. It's amazing that you really have no grasp or understanding of the policies of your ministry. Have you been briefed?

Hon Mr Leach: Give me a break.

Mr Bisson: No, I'm asking you the question. Have you been briefed?

Hon Mr Leach: You're asking questions; I'm giving you answers. You obviously don't understand what the hell you're talking about.

Mr Bisson: No, you have no clue.

Hon Mr Leach: The policies of your government drove the cost of co-op housing out of sight, to the point where the taxpayer could not afford it.

Mr Bisson: No, no. We are talking at this point—

Hon Mr Leach: I'm answering.

The Vice-Chair: Order. I'm not one to stand in the way of a good debate, but this is descending into a non-debate and more of a personal squabble, so I will try to restore some order.

Mr Bisson: I'll try to be nice. I really don't come in here wanting to be combative with you, but it amazes me, the approach you're taking coming in here.

Mr Baird: He can't help himself.

Mr Bisson: No, seriously. We were here at estimates a little while ago. Your minister decided that he was going to do the best he could to deal with responding to questions to Community and Social Services. As long as people are trying to answer questions, you do the best you can on this side. It's amazing.

1600

Shelter subsidies: Do you have any idea how much you expect the budget to be on shelter subsidies when you bring in your system of favouring private sector landlords?

Hon Mr Leach: Actually, we're developing the policy now. We're looking at a pilot project, for one, for some of the most needy, that we might be in a position to introduce later this year. A full-scale shelter assistance program is going to depend on a lot of things. It's going to depend on what happens with the feds and the CMHC, where we go with subsidies that come from the federal government. There are a lot of issues that have to be taken into consideration and clarified before you can develop a full-fledged shelter program. We're working on it. There's a whole lot of additional information that we require. Hopefully we'll have something out on it within the year.

Mr Bisson: Do you have an idea how much you'd be looking at? If you're spending a billion bucks a year now basically on subsidizing non-profits—

Hon Mr Leach: That's a billion we can't get out of.

Mr Bisson: No, you're spending about a billion bucks a year now to pay for the subsidies on non-profit co-ops in Ontario housing. How much do you expect to pay in shelter allowances? Do you have any kind of idea? What is it currently now? How much are we paying in direct subsidy to landlords now?

Hon Mr Leach: It's \$2.5 billion.

Mr Bisson: It's \$2.5 billion?

Mr David Burns: The shelter component of social assistance at the moment is around \$2 billion a year out of that spending envelope. The part of the spending on the social housing programs, which is a bit over \$1 billion a year gross, that is, effectively the rent subsidy portion, is around \$700 million of that number. Looking at it another way, the social housing program is organized in three parts, and we've mainly been talking about the non-profit co-op part here. There is the part that supports Ontario Housing Corp, and then there are a number of rent supplement programs which I think you may be alluding to. Rent supplement programs, some of them, support RGI units in non-profits and some in the private sector. The private sector unit total is 16,000 dwellings. But that's not a portable shelter allowance, that's in effect a very close cousin of non-profit co-op housing, because we're still providing subsidies through a unit.

Mr Bisson: To fill the need that's out there, with the current levels of vacancy we're seeing here now, do you have any kind of a ballpark? What kind of pressure will be put on that part of the budget going up when it comes

to paying the subsidy directly to the landlord through your shelter subsidy?

Hon Mr Leach: They're working on the shelter subsidy policy now. A lot of issues have to be addressed and information provided by others before we can—

Mr Bisson: But surely you have an idea.

Hon Mr Leach: Well, it depends. If the feds continue to support the program—

Mr Bisson: No, that's not my argument.

Hon Mr Leach: —if they take it off the units and put it into shelter subsidy in the same amount—it depends.

Mr Bisson: Mr Leach, I understand that. I understand you're affected by constraints of how much the feds have and, quite frankly, by your own constraints. That's not the argument. You must have an idea going into this. If you're moving from one policy direction in Ontario in housing in favour of a shelter subsidy, you must have a ballpark idea of how much that would cost you in the worst-case scenario if everybody has to get into the program? Is it \$1 billion, \$1.5 billion, \$2 billion, \$3 billion?

Mr Curling: More money or less money?

Mr Bisson: Or is it going to cost us less money? Is that your argument?

Hon Mr Leach: As I said, we're working on developing that program. Ballpark numbers are—

Mr Curling: More or less.

Mr Bisson: So you don't know. You'll be bringing that back.

Hon Mr Leach: Yes.

Mr Bisson: Do you have any idea of what kind of criteria you're going to be setting, who can qualify for that? You make the example about how the person who's trying to get into non-profit housing is on a list for ever and ever, and we'll get to that one a little bit later. Do you have any idea what the criteria will be? Will it be income tested? Will it be socioeconomic issues? How are you going to determine who gets a subsidy?

Hon Mr Leach: My view would be that it would be very similar to the process that you would adhere to to get on a social housing list now. If you qualify for a social housing unit—

Mr Bisson: It would be income testing on a point list of some type, weighted somehow.

Hon Mr Leach: It is weighted.

Mr Bisson: All right. Would you expect the amount of money you would have to give to the individual tenant going out to look for the apartment or pay for the apartment they've found would be a similar amount to what you're now having to pay through the non-profit and co-op programs? My geared-to-income rent is \$250 a month. The actual cost, like you say, is \$1,100 a month. The government pays the difference either in direct subsidy or indirect subsidy. Are you going to be giving somebody \$900 a month?

Hon Mr Leach: I think the average cost of a unit in OHC is a whole lot less than \$1,100.

Mr Bisson: Yes, they are older. I agree with you there.

Hon Mr Leach: I think it will depend on what part of the province you're from and everything else.

Mr Bisson: Well, let me try it the other way—

The Vice-Chair: No, I'm sorry.

Mr Bisson: Okay, we'll come back to it later.

Mr Rollins: Are you just getting a coffee, Al? Okay, one of the questions I'd like to know, to the deputy—

Mr Bisson: The minister won't deal with his own caucus, eh?

The Vice-Chair: Why don't we take a short break for 10 minutes?

Mr Curling: Tell them it's five minutes so they'll come back.

Mr Preston: Make it 10 minutes. Take five off my first question.

The Vice-Chair: Any more? I think everybody needs a 10-minute break.

The committee recessed from 1607 to 1619.

The Vice-Chair: We can carry on. Mr Rollins.

Mr Rollins: To the minister and probably to your deputy, the average rent that the majority of the co-ops pay, per se—and I know it just has to be an average for the whole province—what would that be?

Hon Mr Leach: I think the average rent paid is about \$350, but I'll go to the deputy.

Mr Burns: I think that's for people who are paying on an RGI basis, but I know our staff here have the data. I'd invite the person who's got the summary numbers, Dino Chiesa, who's the acting assistant deputy minister for housing operations, and in front of him is a great long sheet of numbers that have to do with the program.

Mr Dino Chiesa: The average rent in a co-op and non-profit is about \$387. That's including the market and subsidized rents, so the average revenue per unit is about \$387. The average market rent's about \$750.

Mr Rollins: So that totals up to give you a cost per unit of approximately, adding that on to your \$10,000—plus a year, somewhere around \$14,000 a unit income, where you put that income along with the cost to the government, going together?

Mr Chiesa: Yes, the average economic cost is about \$1,200 a unit a month.

Mr Rollins: Then that's \$387 taken off that \$1,200?

Mr Chiesa: Right. The \$1,200 is the average economic. If you take off the \$387 you get an approximate subsidy of \$820 per unit per month, times 12 gives you roughly a \$10,000 subsidy.

Mr Rollins: Those figures need to be pointed out because with that kind of a subsidy that we as the province of Ontario subsidize, many people who have houses, mortgages and the whole thing are not paying anywhere near that. I know there's a difference between having a house and paying a mortgage and that thing, but that's one of the perceptions that people in Ontario don't realize—that's a real support on the part of the minister and our government. Those figures are extremely high for the cost of being able to put subsidized housing into the operation. In hard, cold numbers, you could walk out on the street and give a person a \$700 or an \$800 cheque a month and say, "Hey, go and find your own place to live," and we, as the province, would be a lot better off.

Mr Curling: said he was very upset. He thought that maybe if we got out of the complete control, there would be a whole lot of construction, housing starts, and some people would build some houses that would be allowed

to rent at some high prices. That's what free enterprise is all about. Let's get those houses being built and create some jobs. That's what this government's about. Yet you don't seem to think we should be able to go ahead and change the rules so that we can let private enterprise start and build houses again.

Mr Bisson: No, that's not we're saying.

Mr Rollins: That's a fact of life, what is happening. Those things need to be addressed to make sure those people have that privilege. How do we adjust those tax rates? Do we have the privilege of changing the tax structure so that we're not having condominiums taxed at a higher per cent than the other buildings in our taxation department?

Mr Burns: At the present time condominiums are taxed in the same way that single-family dwellings are taxed, as ownership housing. Rental housing is taxed as a commercial enterprise and in many communities in this province pays a much higher level of property taxation, let's say on a square-foot basis, than condominiums or ownership. Cooperatives pay property tax on the same basis that condominiums do, that is, on the same basis as single-family dwellings. The rest of social housing, non-profits, pay on the same basis that commercial landlords pay.

Mr Rollins: Who has the ability to change that? How do we change that? It isn't the Minister of Housing, I'm sure. He isn't the one who comes in and—

Mr Burns: No. These rules derive from a system that is set up as a consequence of the Assessment Act. The Assessment Act, in the way that things are organized at Queen's Park, is the property of the Minister of Finance. However, because property taxes generally have such a tremendous importance in the housing industry, it's been a subject of conversation between the two ministries over time, and is again. The minister indicated earlier that there are a bunch of issues that have to be looked at if you're going to answer the question, can we create a climate in which people would be prepared to invest in rental housing? Clearly the tax treatment of rental housing is one of them.

Mr Rollins: Is it the biggest factor you probably think of or a good chunk of it?

Mr Burns: In terms of comparing the cost of operating new rental housing to what's going on in the marketplace now, the single biggest dollar component of the difference is the difference in property tax treatment.

Mr Rollins: If we can get that fixed, and then we can get the standards of the construction cost, making such things in condominiums where there are bulletproof walls and things of that nature that's in that building code structure that seems to be a little bit more elaborate than in a single-family dwelling, that would bring those things down where then the private sector may well be interested in getting back into the renting business.

Mr Burns: If we can deal with enough of the things that create significant costs for people building rental housing, and if we can continue to have a pretty good interest-rate environment, then there is a good chance we can come to a place where people would be prepared to invest in rental housing again. But we do have to finish

the process of assessing what those barriers are and then begin the process of removing them, which as the minister alluded to earlier, will take a bit of an effort.

Mr Rollins: There's some concern out there when you hear that we're all prepared to sell everything off and that we're going to change and remove all rent control and everything's going to happen yesterday or the day before, and I don't think, Minister, there's any intent to make it happen that quickly. It'll be in a certain amount of stages with consultation with different people and let them come up with a decision that is suitable.

Hon Mr Leach: Absolutely. At OHC, for example, we're partners with the federal government in most projects. CMHC has paid 50% of the costs in the most of them. In many instances we're involved with other levels of government as well, so even if you wanted to go out and whack a For Sale sign on a building tomorrow morning, you couldn't do it. It's going to take a lot of consultation with a lot of other levels of government that I think share our view of getting out of the bricks and mortar business.

Mr Rollins: It's only taken us four hours to have that said because when I sat here listening, I was sure from the other side that we had them for sale this afternoon. That's the end of my questions.

Mr Preston: I hope so. You said it was going to be short.

Mr Rollins: Well, it was. Are yours over with already?

Mr Preston: No. Maybe I can simplify things and maybe I'm going to oversimplify them. Maybe the answer, when the question comes up, why are you doing this, why are you doing that—tell me if I'm oversimplifying too much—it's just that private enterprise can do it much more economically than any government, whether it's mine, yours or the third party's. Any time. I am renting now what I consider to be almost a luxury apartment in this town, on the waterfront, for less than it's costing you to run this non-profit housing.

Mr Curling: Then get rid of the big administration. Don't rid of the tenants.

Mr Preston: Hey, that's a good idea.

Hon Mr Leach: Well, that's one of the problems and that's a very good analogy because this is where the waste and inefficiency issue come into play. The cost of administration in the co-op program was one of the big nails in the coffin. They've driven the cost of operating co-op housing up to such a point that it's no longer affordable for the taxpayer. It's affordable for the people who are getting the \$800-a-month subsidy but it's not affordable for the taxpayer any more.

Mr Preston: Gee, another four hours and we got agreement from Mr Curling. That's great.

Mr Curling: Oh, I've said for a long time, stop beating up the tenants. Don't blame the tenants. Clean up your act.

Mr Preston: I don't believe it's the tenants' fault.

Mr Curling: I said clean up your act.

Mr Preston: It's the fault of government. Now we all have come to an agreement on that, it's the fault of government. Get the government out of the business.

Interjection.

Mr Preston: Don't go that far, okay. You'll agree with me to a point. There's one other matter I'd like to address and it's too bad it happens.

Two days ago we were blaming the Minister of Community and Social Services for people dying on the street. Today we're blaming the Minister of Housing for people dying on the street. Let's get very plain about the types of people that are dying on the street. During the last cold wave, there were 100 empty beds in one firehall. That was the night the man died. There were churches that had many beds empty on the night that the other one died. There was a third one who died because he was curled up inside his sleeping-bag and they drove over him and they didn't even know he was there.

1630

There are certain people in society—if you remember back to Lucille Ball in a very factual film called *The Bag Lady*, and that was factual, regardless of what they did for that lady, she wanted to live on the streets. No matter what subsidy, no matter how many buildings were available, that lady was on the street because she wanted to be there.

In Thunder Bay, a gentleman passing through from British Columbia decided to build himself an ice hut near the CPR tracks. The CPR police broke it down. There was a big hue and cry by certain factions that they had disrupted this man's way of life. When they finally investigated, they found out that there was room in the shelter but the man had been kicked out because of continuously disrupting the people there and stealing what little possessions they had.

Certain people are going to be on the streets regardless of what you do for them. Some of those people are going to make a miscalculation and die in intensely cold weather. That is not the fault of your government because of the way you set things up or of our government because of the way we're trying to change things now. To blame any particular ministry or minister for that I believe is dishonest, it's untrue and it's cruel.

Mr Curling: I never did blame the minister for the responsibility he takes.

Hon Mr Leach: Thank you for that. The point is that we are looking to develop policies to provide help for those who are hard to house. There are a number of complexes in my riding, on Gerrard, that presently house people who have a great deal of difficulty, street people, as they're known. There are individuals in our society who devote their lives to getting people in that unfortunate situation off the street, into shelters where they can help them rehabilitate themselves, so to speak, and get them back into society, but there are others who will refuse that help as much as it's offered. It's unfortunate. They're very few in number, but they do exist. As much as we try to provide assistance to them, it seems the more resistance they have.

Mr Baird: I wanted to discuss an issue with respect to the community partners program. I was reading the estimates and wanted to compare them with actions that you've taken since you became minister. They're being reduced by approximately \$1.8 million for 1995-96. My understanding of that program is that it's primarily advocacy-based activity rather than program delivery.

Could you give us a sense of how much has been cut and the plans for the future?

Hon Mr Leach: There are some specific numbers the staff have that can bring you right up to date. Anne, could you advise us on those numbers, please.

Mr Cordiano: Take a seat anywhere.

Mrs Margaret Marland (Mississauga South): Are we in your seat?

Ms Anne Beaumont: Maybe you'd like to answer the question.

Mrs Marland: Sure.

Ms Beaumont: The community partners program was one that actually came into being in 1993, when the government of the day rolled together a number of programs that had existed in the ministry—one in the policy division, one in Ontario Housing Corp and one in the rent control programs area—that had provided different kinds of support to various tenant groups and community organizations. So the programs were rolled together in 1993 to create the partners program with a budget of something in excess of \$11 million. That program was reduced somewhat the following year, and the reductions that have been made at this point in time, as you indicate, are a cut of currently \$1.8 million. We are, though, anticipating substantial additional cuts to that, so that as a mature program we're expecting it's going to be something less than \$4 million.

Mr Baird: I know this is the estimates committee, but do you have an idea of how much was spent in 1995-96?

Ms Beaumont: It was about \$8 million.

Mr Baird: Probably this is the political position rather than directing it at you. I think the people of Ontario expect the dollars to go to core services, particularly in this environment, particularly program delivery, and that the government can't do everything.

Having said that, I think there's an additional concern that people have had for many years: They don't believe that their tax dollars should be given to interest groups that then seek to lobby the government perhaps even for more money and to get preferential regulatory or legislative changes.

I think that if a group is representative of the constituency, they can fund it themselves, that this is the best way to ensure that the accountability is there for the group, for the members of the group, that it is reflected in the advice and pressure you get. I go to the example of the Canadian Federation of Students; it's actually CFSO, because the Ontario Federation of Students and the Canadian Federation of Students simply couldn't survive. Their members themselves decided that they wanted to withdraw their university campuses. I know they withdrew at an 80% level of support when I was at Queen's University. I know at the University of Toronto, another member who was there led a campaign to have the University of Toronto withdraw; and yet, with such huge numbers—80% wanted to withdraw—the lobby group none the less expressed the view to decision-makers in government that they were representing X hundred thousand people.

This is a concern I have with respect to funding advocacy and lobbying activities by government to the private sector. It's inherently inflationary for one thing,

because you're basically giving money to those outside to lobby you directly for more money. I think in any time, but particularly in these financial times, every single dollar that's being spent has got to be spent for that core service where there's a genuine need and a genuine role for government. That's a concern that I know people in my constituency have and I think it would be fair to say that people across the province of Ontario would have.

I know the federal government got itself into myriads of these types of commitments, ranging from arts funding to heritage funding to funding for certain groups within society. I think it's just fundamentally wrong for government to be taking taxpayers' money and giving it to groups representing in some cases, purportedly, tens of thousands of people. Surely, they can get their \$1, \$2 for every person they represent in some form, like the vast majority of other groups get, and that would be an indication to you that, gee, this is a group that speaks for the people they purportedly represent, because there's an inherent element of accountability there.

I wondered, have you given thought to putting this program to zero, so when you would come in 12 months' time the estimates would have no funding for this?

Hon Mr Leach: I agree entirely with you. I support a lot of the lobby groups and advocacy groups. I think they're good things. I just don't think they should be paid for by the taxpayer. We've cut the cost of the program by about half this year and we're looking at going down to zero. We have contractual agreements with a number of organizations and we're going to live up to those commitments. When the commitments have expired, then their funding would end as well.

Mr Burns: I might just add that, as Anne Beaumont said earlier, because this program, if I can call it that, contained a bunch of different elements, it's important to just disentangle them a little bit. The part that has gone to advocacy and organizations in the way you described is being entirely wound up, as the minister indicated.

There's another part that supports local services, not advocacy and the kind of organization you're describing. That service is essentially to help people who are homeless or who are evicted or who are in very difficult situations in difficult markets to find their way in the market. That residual program has been sustained although, as the minister indicated, it's going to be reviewed. The part that you are addressing yourself to is going to zero in the way you described it, but there are a couple of other components of this that are still being funded at the moment which are not of the character that you describe but rather are actual on-the-ground services.

Mr Baird: This is a rather detailed question. When there were contracts entered into under this program, were they annual contracts? When were they last renewed?

Mr Burns: There's a significant mixture of situations. In some cases it was annual; in some cases it might have been multi-year but with a review; in some cases there would have been a notice period for winding up a contractual obligation; in other cases there might not because of the diversity of activities.

What's in place is the windup at the first moment that is possible under whatever particular contractual format we have in place. Some of those were very quick. It happened almost within weeks of the minister's policy decision, which was announced as part of Mr Eves's statement in July. In other cases we've given notice to people that as the contractual arrangement draws to a conclusion, that will be the end of the arrangement. Some of those have taken place this past fall; some will take place over the course of this year.

Mr Baird: The reason I asked with respect to the time line is that there's a significant amount of debate, I know, on a number of instances where grants were given after the election by the previous government, perhaps after the Parliament was prorogued.

I was reading the Canadian Parliamentary Association's publication that they put out regularly which had a significant article on what was the ability of government to function once the writs had been issued on the federal level, for example, through actions taken by the previous Conservative government federally.

Can you say which elements of the program? Were there annual contracts or two-year contracts? When last would they have been reviewed and signed? Was that out of the normal course of events?

Ms Beaumont: The ongoing annual contracts, renewable annually, were with the province-wide organizations. These were organizations such as United Tenants of Ontario, CELA dealing with law issues. There was a variety of contracts with individual tenant organizations, with individual advocacy organizations around the province and those had varied time frames, as the deputy indicated. Some of these time frames allowed for an ending of the contract with a certain notice period. Those notice periods varied. Some of them only allowed for an entering of the contract at the end of the defined contract period, which may be two years.

As the deputy indicated, what we did, as soon as we had a discussion with the minister in the very early days of the government about this program, was to do a review of each and every contract under the program to determine what was the earliest feasible date at which the contract could be terminated without us sustaining legal costs that would be in excess of the costs of termination.

Mr Burns: In terms of the timing of things, in the period between the writ of election and election day the ministry continued to deliver and administer programs under its responsibility and, in the case of this ministry, received no ministerial direction during that period to do anything additional or different from what had been in place on the first day. On the day after the election we ceased adding any contractual obligations within our program structure during the transition, and in the case of our ministry received no ministerial direction to do anything to the contrary in our particular circumstances.

Mr Baird: I would think that's of credit to you and your officials, deputy, and to be fair as well to the previous minister. I think a number of us were very concerned that contracts were even entered into in the last 100 hours of the previous government, and that caused a tremendous amount of concern that in some cases hundreds of thousands and even millions of dollars were

being entered into. That certainly speaks well to you and your officials and, to be fair, your previous minister.

In terms of the community partners program, or the programs that made it up, you mention 1993 as the date where they were consolidated or started?

Ms Beaumont: Consolidated. All of these programs existed prior to that, and they had varying starting dates and different defined purposes. So what was done in 1993 was to roll them all together, reduce the overall cost of the envelope and allow for some flexibility as to how that money was to be used.

Mr Baird: How long do these programs go back? Five years, or 10 years, or more? Or is this relatively new?

Ms Beaumont: The oldest of them would go back six or seven years.

Mr Baird: I appreciate that. How much time do we have, Mr Chair?

The Vice-Chair: One minute.

Mr Preston: Gilles wants a question with your minute.

Mr Baird: I would yield then, Mr Chair.

Mr Bisson: Thank you very much.

Mr Baird: I would yield to my colleagues of the official opposition.

Mr Bisson: I just want to know how come you're doing such a good job. That's what I say when I'm sitting here on this side.

Mr Curling: Mr Chairman, to determine cost of building non-profit housing and the administrative costs—and my colleagues over on the other side said that it took them a couple of seconds to simplify it and say that's what the problem is. I've been saying the same thing. I'm saying again that the costs of non-profit housing, the high costs, are a fact of how the administration is being run, and if we can clean that up—and the minister agrees in that, that's just where it is. The high cost of doing this has driven up the cost of building non-profit housing, and it's not the tenants who have caused that.

What I'm saying to you, as soon as you clean up all this situation here, what you're going to do, you're going to give it to the private sector. The fact is as soon as you've got your act together and know where the problem is, you turn around and give it to the private sector, and then moving along, taking away rent control will drive the price up. You say the price is going to go down in the private market. It's not going to go down.

I want to go back to what the deputy had stated too, that one of the main problems, costs, is taxes, and who can deal with that, as you ask? The government. None of the governments have yet had the guts to deal with that property tax issue. I hope your government will deal with it, and I say that sincerely. And I'm going to say to you too, it's going to be very tough, because even my area, in Scarborough, some parts pay a tremendous amount of property tax on their home and the same type of home maybe down there are paying half the price or even a third of the price. Some of those costs really affect how we build and who can buy.

Mr Preston: We've done all the easy things, so the tough things are not going to bother us.

Mr Curling: Well, that is a tough one. So if we can deal with that situation, it will come down.

Taking away rent control, I'm telling you, will not do very much. As a matter of fact, it will do worse. I didn't say that. The builders say that too. The private sector told me that, "If you take rent control off, we will not build." We're not going to see any buildings going up. But they're saying of course—let me just be straight with you what they also said—they would love for rent control to go, but they tell you that that will not create any more new buildings, new rental units in the province. So let us be fair about that.

I want to go back quickly to when we talk about the blame on each minister for the homeless. I asked what responsibility the minister is taking. I was trying to push the minister, maybe not in a good tone, but I wanted to say to him that the homeless problem out there, it's not a single ministry that can deal with that. It really has to work together with Health; it must work together with the Ministry of Community and Social Services and Housing. The others we will bring in later on, with Labour and all that, and assist in maybe changing the act and all that.

That is why there are those who, no matter how much you build a home and it's there, may not find their way there because of other incidents and other situations that they find themselves in, the mental state they may be in or some sort of physical state that makes their mental state not let them coordinate back to home.

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So we've got to work together. We can't just turn our head and say, "Listen, they will always be there." We can't do that. We are in that business to look after all citizens, and it's going to be tough at times to find them, and you will pick up the first individual and put them back home and turn your back and then they're back out there again. There's a tremendous amount of people who need that kind of support. I just say to you, Minister, when you're at the table at the cabinet and they're cutting all the civil service staff and they're doing all that, if you don't have those people out there doing that, it costs lives. It really comes down that if you cut back on money that would provide for welfare workers, individuals in our system, our civil service, it could cost lives because you don't have enough to monitor those people, and it is our responsibility.

When I had the exchange with you about the taxpayer, I regard every single soul in here as a taxpayer in this province, whether they're working or not. They pay taxes in one way or the other. So when I hear your government and your party saying that it's not fair to the taxpayer, it's like you were saying, there are some people over there, why should the taxpayer fund you? The person is a taxpayer too. So let us be kind of reasonable about that.

Having said all of that, I want to go to an area that is very close to your heart, Mr Minister, and it's that cancellation of the non-profit housing. You stated how many of those were cancelled, and I'd like to know, are there any legal cases against the ministry right now, any court cases against your action, how many and what's the cost so far? What do you anticipate will be the cost?

Hon Mr Leach: We committed to any of the non-profit units that were cancelled that we would compensate them for costs that they incurred under the program guidelines. We did this. It should not and is not an

admission of liability or responsibility to the groups. We are living up to our requirements under the terms of the agreement with the non-profits. Many of them are under discussion at this point in time. Some of them have decided to take legal action and as a result any discussion on amounts paid out etc would be inappropriate.

Mr Curling: In your answer you said there are lawsuits now against the ministry for those contracts that you have broken.

Hon Mr Leach: Yes. The ministry has been notified by a number of—

Mr Curling: How many?

Hon Mr Leach: I don't have the exact number.

Mr Curling: Could I get the amount?

Hon Mr Leach: I could ask Dino to provide you with that number, but I want to caution you that we're going to refrain from commenting on the merits of any of the actions or proposed actions.

Mr Curling: I don't want to discuss the case itself. I'm neither the lawyer or the judge.

Mr Chiesa: Yes. There are three actual lawsuits.

Hon Mr Leach: Three out of 390?

Mr Chiesa: Three out of 390. To be fair, however, there are an additional approximately 130 notices of claim that have to do more with the timing issue for statutory provisions other than that they're going to proceed or not we are trying to settle, and we are being quite successful in settling most. Right now, however, we have three lawsuits.

Mr Curling: How many contracts were cancelled?

Mr Chiesa: There were 390.

Mr Curling: It goes up.

Mr Chiesa: There were 385, and then there were an additional five cancelled, so it's approximately 390.

Mr Curling: Would you say that any of those cancellations—not the 130, not the three, but those that did not come forward—it was because of lack of funds or just intimidation of the big bully that they said, "I won't take on the government," and that's why they haven't come? In other words, have you spoken to them?

You say "out-of-court settlement," but some settlements have been happening. Are there some that have not come forward because they don't have the wherewithal, and have been intimidated by the government, to come forward to say, "I'm going to sue you?"

Mr Chiesa: Of the approximately 390, we've received in excess of 300, about 312, responses to date from the groups. There is a number that we haven't yet because some of the groups dissolved. Some of the groups won't cooperate, but they're in the minority. The majority of groups are cooperating and we have received in excess of 310 packages in.

Mr Curling: I'll just ask the minister, but stay there a bit. Don't escape. Did you anticipate when you cancelled or axed those 390 contracts that you would have 312 people screaming at you saying, "What have you done to my life?"

Hon Mr Leach: Actually, we anticipated about 390.

Mr Curling: You expected 390.

Hon Mr Leach: Yes. Obviously, people who were going to be involved in this cash cow of programs that was going to provide them with subsidy—

Mr Bisson: Now you're really pushing it.

Hon Mr Leach: I'm sure that people who were disappointed were the consultants that were getting a percentage of the total cost of the building, and the developers that were building gold-plated accommodation. There were a lot of people who were disappointed when this boondoggle was stopped. There's no doubt about that.

Mr Curling: Were they doing anything illegal?

Hon Mr Leach: Some of them were, as the Provincial Auditor pointed out.

Mr Curling: What have you done about that?

Hon Mr Leach: There were actions taken against them. I know one was sent to prison for embezzlement. A number of actions have been taken against those who were mismanaging the program that caused a lot of these problems. These aren't things that this government is saying, these are things that were uncovered by the previous government. Actions were taken, and rightly so, to its credit, by the previous government to try and clean up the God-awful mess that was there.

Mr Curling: Therefore, it was management, really.

Hon Mr Leach: It was a lot of things. That's one thing you have to be very careful of. You don't want to attach any blame to the well-meaning sponsor groups that had nothing but the best interests of people in their community and trying to help them. Many of them were taken advantage of by various individuals who got involved in the non-profit business.

Mr Curling: Let me go back to the acting assistant deputy. I hope they confirm you and pay you the right amount of money for all the work you're doing there.

Mr Chiesa: Thank you.

Mr Curling: How much has the ministry spent so far on legal fees and how much does it anticipate to spend on legal fees?

Mr Chiesa: On the question of legal fees, the costs have been internal costs, and I don't know that number. In terms of the anticipated legal fees, we don't know that number either because we hope that the majority, if not all, of the issues will be resolved through the process we've set up to resolve those issues.

Ms Beaumont: We've not to date hired outside legal counsel.

Mr Chiesa: We have Les Fluxgold from our legal division here.

Mr Curling: This is a lawyer here. Okay.

Mr Les Fluxgold: I must say the question—I'm a little lost on it. The ministry itself is handling, through the Ministry of the Attorney General, all legal actions against it, so there are no outside lawyers that have been hired by the ministry to defend it against the three claims that have actually been started.

Mr Curling: So the Attorney General's office won't send you a bill.

Ms Beaumont: Only the normal bill we get for ministry lawyers.

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Mr Curling: Well, we have to account for every penny, because it's good management. Don't say to me, "Well, there are lawyers floating around in the Attorney General's with nothing to do." You don't know if they'll send you a bill?

Ms Beaumont: Well, there are lawyers assigned from the Ministry of the Attorney General to our ministry, as there are to all ministries, and it's those lawyers who are working on this as one of their files right now.

Mr Curling: And these lawyers weren't on any other case. You didn't anticipate that in your estimate here. I just wondered how much money you put aside to say, "These are going to be legal fees I've got to deal with." The money has to come from somewhere.

Hon Mr Leach: I'd have to remind you again that these are not our estimates; they're the former government's estimates.

Mr Curling: I know, but you spent it. You took over in June.

Ms Beaumont: These estimates though were developed by the previous government for the year beginning April 1. The decision wasn't anticipated at that time. So these estimates would not have taken any of these anticipated legal costs into account.

Mr Curling: But things can change along the road—the Common Sense Revolution. Things can change.

Are you telling me then that this estimate, which I know wasn't developed by you, and these lawyers who will be working on these cases, will be paid through the Ministry of Housing?

Mr Fluxgold: It's through the Ministry of the Attorney General.

Mr Curling: But they won't send you a bill. What I'm saying, Mr Minister—and maybe I ought to be much clearer—is that they're going to be very busy. You're saying 390 of those contracts you have cancelled; 312 responded—I presume you must look at the legal part of it—130 have given notice of claim. I presume work is being done on all this. I want to know if there's a cost.

Ms Beaumont: There are lawyers in the Ministry of Housing who are assigned to the non-profit portfolio. If we'd been proceeding with the development under that portfolio, those lawyers would have been undertaking other legal work that had to do with non-profit housing. That work no longer exists. They've been reassigned to this file.

Mr Chiesa: We've added no more legal staff in the ministry as well to accommodate that.

Mr Curling: That's the answer. That's fine. Your Common Sense Revolution, I think, had projected \$200 million in savings through these cuts of non-profit housing. How much saving have you found so far in this?

Hon Mr Leach: By stopping the 390 projects, we will not incur costs of approximately \$200 million next year. If all of those projects had gone to subsidy, we would have moved from about \$850 million to over \$1 billion.

Mr Curling: So you have saved, you said—you call it "saved." I like the word "saved."

Hon Mr Leach: Well, if I don't have to find it—

Mr Curling: There's a human cost to this too actually. You don't put the human cost in these things.

Hon Mr Leach: There's also some direct savings.

Mr Chiesa: Minister, the actual mature cost is about \$160 million a year for those projects that were cancelled, and next year, because of the phasing of the building, it was about \$111 million for next year.

Mr Curling: So roughly, in two years, about \$260 million.

Hon Mr Leach: Well, in the first term of this government, over the next five years, we'll save about \$500 million by getting out of this program.

Mr Curling: On this project itself?

Hon Mr Leach: Yes, \$500 million will not be spent as a result of the actions that we took on this program.

Mr Curling: What are some of the repercussions you see in the cancellation; the negative impact?

Hon Mr Leach: I see lots of positives.

Mr Curling: That's why I'm asking about the negatives. These are the tough ones, you see. Don't tell me that when you cancelled this, everything was just rosy and wonderful.

Hon Mr Leach: I'm trying to think of a negative that goes with saving \$500 million. Not many pop to mind.

Mr Curling: None pop to mind?

Hon Mr Leach: We ended a program that created hundreds of millions of dollars in subsidies, cost the taxpayers \$10,000 a unit, and saves us \$500 million in our first term of government. I'm hard pressed to find any negatives for that.

Mr Curling: I understand that. I understand that you'd be hard pressed and many of your colleagues would be hard pressed to see any human suffering in that. I understand all that. I understand too that if we didn't build non-profit housing, and those who want it, regardless of the mismanagement of the complex—

Hon Mr Leach: I think the human suffering occurs when you take hundreds of millions of dollars of taxpayers' money and give it to—

Mr Curling: Oh, here we go again.

Hon Mr Leach: —some people who don't need it, while you still have thousands of people who don't get any help.

Mr Curling: You are the one who also said there are needy people out there who need affordable housing.

Hon Mr Leach: Yes, there are.

Mr Curling: The way we were going about it, you said, was too expensive and we almost agree with that. And I said, "Is there any one negative impact?" I thought I saw some. I would say to you that if we cancel out the non-profit housing—that people who are in need for it, and in the meantime the administration was such a boondoggle, or whatever the word is, that these people would not have access to the affordable housing because you shut that down, you cancel out those. What provisions have you made then that those units that were coming on stream, although costly—I agree with you, fully agree with you—too costly too, but in the meantime what provisions have you made for those people who were in anticipation of coming into affordable housing?

Hon Mr Leach: Any of the units, and there were 118, that had reached the approval stage are going ahead.

Mr Curling: That's the good news.

Hon Mr Leach: That's more good news. You see, I've told you I couldn't find a negative. I think 113, actually, is the number.

Mr Curling: So there is nothing negative at all about cancellation—

Hon Mr Leach: Well, the only negative I could come up with is that we probably didn't do it fast enough.

Mr Curling: Ah, so you don't mind those people are waiting. You're the one who just—

Hon Mr Leach: Well, of 113 projects—anything that was committed or under construction is continuing. So those individuals are all being looked after. We also are proceeding with 13 projects for special-needs groups.

Mr Curling: I know that, and you're going to redefine "special needs" or "disabled." You're going to redefine that at one stage anyhow, your government, and your Attorney General didn't even read the regulation to find what's the definition of disabled, so therefore you'd have less to deal with. But that's another matter.

But you're telling me then, nothing will be interrupted—those people who are waiting for that non-profit housing to come on stream. Forget about the mismanagement and the terrible ways that the government is doing. These are people who are waiting to go into non-profit. They'll be accommodated just the same way?

Hon Mr Leach: We're dealing and negotiating with a number of non-profit and co-op sponsors now, developing ways and means of their proceeding with their projects without the heavy influx of subsidy. There are about a dozen that we're in negotiations with. Some of them look extremely promising, where the sponsor groups are going to find ways and means of getting the building up.

Along the same line, we are working on the aspects of getting the cost of putting a building up reduced. We hope to reach a point where we can make the construction of co-ops and non-profits, and apartment buildings for that matter as well, affordable so that you won't require large subsidies from the general tax base.

Mr Curling: It seems to me the problem that we had, and we all agree here, is that those in need weren't at fault for what happened. But the developer or the consultants and the government did a poor job, increased that cost. It seems to me that we have now taken the victim and almost blamed the victim for all of this, and they are the loser in this, for this mismanagement itself.

Hon Mr Leach: The major loser was the general taxpayer who has to absorb all of these outrageous costs. It's a fact of life. We're spending \$1 billion in subsidy for a handful of—

Mr Curling: I want to get off the bottom line here with you. You can be like an accountant.

Hon Mr Leach: —select few, some of whom don't need any help. You're providing subsidy to people who don't need it and leaving people who do need it out on the street with no alternatives.

Mr Curling: Mr Minister, I'm not talking about those. We are building affordable housing and non-profit housing for those in need and also a mixture of people who will pay market rent. We're building them; we know that. I'm not talking about the incompetence of the government and where people can gouge the government and get a lot more for building a unit at the great cost and the great expense to the taxpayer, which is wrong. I was talking about those who needed that access and the denial that they have had now. I'm just trying for you to come on side to see: Are they being hurt? Will they be delayed later on?

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Let me just jump to another aspect of it quickly. There are people who have been declaring bankruptcy and have had a hard time. Is there any extra attention paid to some of those contractors, consultants—not consultants so much as the contractors and developers who had invested their money, committed themselves, and have complained to me? I'd hoped to have gotten in touch with you. I couldn't reach you in those times because it was such a secret. I have had letters coming to me saying, "Help, I'm bankrupt, my family!"—

Hon Mr Leach: Mr Curling, I'm not aware of a single phone call made by you to my office on this subject.

Mr Curling: No? Well, we won't get into that, because this is getting picky.

Hon Mr Leach: Nor am I aware of a single piece of correspondence from you to me.

Mr Curling: The reason I won't get into that is because that part of the estimate—

Hon Mr Leach: Because there isn't any. I'll ask the assistant deputy to deal with that other aspect.

Mr Curling: I have made calls, and we've had people who have written and said they can't get through.

Is there anyone there that has been having difficulty? I want to deal with those who are hurting there. Forget about me. It's insignificant.

Mr Chiesa: Maybe to put it in a bit of a context: To unwind or to pay out and look at settlements on a program is not an easy thing to do. I'm sounding defensive, but it's not easy. You've got to do it within a framework of public accountability; you've got to have an audit trail; good business practice; and you have to be fair. Some of that takes time.

Looking at claims, you have to ensure that the claim is a relevant claim within an allocation validity period to make sure it's a valid claim. We have to make sure that it was a claim that resulted from a program-generated cost, and we have to review those invoices in a fair and equitable way.

At the beginning we were a little slow. In the last few months we're getting a little quicker. What we've done now is, we're dealing directly with some third-party claimants, some architects and some consultants directly now—we've made some payments directly to them—because in some cases, as you know, the groups disappeared or the groups were not cooperating. Some third parties were in fact being injured from that perspective, why there weren't so many claims.

We worked through the community groups first, and then if we weren't getting a response we're dealing with the third-party claims directly. We have a process. We met with the architects' association, for example, and we're going through that. The number of complaints have gone down. We have cut a number of cheques and it's a well-known process now and it's moving. But yes, it was slow at the beginning; yes, there was some hardship at the beginning for some, but I think the bulk of that is gone. To my understanding, no one's gone bankrupt as a result of it. We are settling amicably.

Mr Curling: That's a good response. I'm not trying to trap you, sir. I'm only trying to tell you that these are concerns I have and I want to know that when those who

have called me—this might be a little bit dated now in the sense that maybe it has been dealt with and I would follow up on this, the final, how this gentleman in this company in London, Ontario, has phased out with this government because they feel that—

Hon Mr Leach: You're absolutely right, you know. It was very difficult to deal with some of it because we were legally obligated to deal through the sponsor group. There were many third parties that found themselves without any avenue that we could deal directly with them. If one of the sponsor groups was one of the three that decided to sue us, obviously we can't make settlements with the third parties.

So here we have a situation where we want to get out and help resolve the issue. We don't want to see the architects or the developers or any of the suppliers hurt in any way. I'm sure that you can understand that we have this situation where we can't deal with them while the sponsor has us in the courts. It's unfortunate, but in many instances we have been able to sort it out. Do you want to add to that, Dino?

Mr Chiesa: Yes. If Mr Curling has any specifics in his constituency or anywhere else that have to be looked at, we have a process through the regional offices to deal with those. We'd be more than pleased to deal with any individual cases that he has, because the last thing we want to see is anybody hurt or any more apprehension of the system. We're trying to make it easier.

Mr Curling: You expressed to me that you knew there were difficulties having some answers. I presume you didn't work out your process when all this was done, what forms to fill out and all that. That's the point: We couldn't get through, and many people were calling us. At that time we didn't know how many were cut.

Mr Chiesa: That's a fair criticism.

Mr Curling: Before I even get back to you, I would then check with it, because there's no use wasting your time and my time, get back to the individual and say, "How are things going as of today?" and you could say: "I can't get you." I'll be back again at you, Minister.

Hon Mr Leach: I'll be here.

Mr Curling: You'll be there? Good. I'm going to go to a new area altogether. How much time?

The Vice-Chair: One minute.

Mr Curling: One minute. This new area will take about an hour. I'm going to put them on notice, then. I want to know if the employment equity office is there, and we can have some questions on Monday on this one. You don't have to answer now at all.

Mr Bisson: He's putting you on notice again.

Hon Mr Leach: Okay. I'll be put on notice that this question is coming in our next session.

Mr Bisson: I just want to remind you, Minister, that as a former government member I found it amusing when you made the comment that you'll be there. Always remember that you serve at the pleasure of the Premier, and you never know how long you'll be pleasurable.

Hon Mr Leach: He's away, so I'm sure I'll be here till Monday.

Mr Bisson: Minister, I don't think I understood correctly, and that's why I just want to clarify: Were you saying a little while ago, through your ADM, that the

people in those projects that were cancelled, who were at times thinking of bringing you to court but who eventually you settled with, all of them settled off amicably, that they're happy?

Hon Mr Leach: There's a number.

Mr Chiesa: Of the 390, we have about 70, 75 who either have signed off releases and/or didn't need the releases to be signed off that we've settled with. Yes.

Mr Bisson: They did this and they're happy with it?

Mr Chiesa: They signed releases. We negotiated, we paid all the bills that were inventoried that were within the period.

Mr Bisson: I just want to point out, because I've talked to a lot of these people, in some cases they've cut their losses and said, "We're not going to bother with this any more." I think you should acknowledge that it's not a question that they're amicably signing off; it's that they've thrown in the towel and said, "That's enough of that."

Mr Chiesa: I guess it's like a willing vendor and a willing buyer. I guess we negotiated it. I guess "amicably" was the wrong word, a bit of a stretch.

Mr Bisson: It was a bit strong. Okay, that's all I needed. I just wanted to clarify that.

The other thing is, do you have a list of those that have been settled and those that are outstanding?

Mr Chiesa: We have a list of those that have been settled, and obviously the balance are those that haven't been settled.

Mr Bisson: Could you provide us with a list of the 300 projects that were cancelled, what stage they're at in regard to: They've been cancelled, they've settled off or they haven't, and is it possible to get, not the exact details, but how much that cost per project?

Mr Chiesa: We can give you a list of those projects, the 390. I'd have to get some advice first on whether or not we can give you those that were settled. Certainly, I can't give you yet the numbers related to that because of the negotiation process we're going through now.

Mr Bisson: I recognize that you can't give me the details, but I think it would be public information that you can provide me with—if there are 75 that were settled, how much they got individually.

Mr Chiesa: I'll give you everything I can give you within the framework of—

Mr Bisson: That's fair.

Hon Mr Leach: We provided, originally, the list of the 390 projects to everyone.

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Mr Bisson: I recognize that. You gave us the list, and I appreciate that. But what I'm asking is where it's at now and how much that cost, because there is a cost attributed to this.

Hon Mr Leach: I just don't want to create any situations where we would upset litigation by anyone.

Mr Bisson: No.

Hon Mr Leach: Subject to the advice from our legal people, we'll get that information to you.

Mr Bisson: I fully understand—been there before. I understand what you're talking about. What you can provide us with would be beneficial. Thank you.

I want to go back now to the shelter subsidy but from a bit of a different perspective. Let's say there's a brand-new housing co-op somewhere in Ontario that was built last year. When it was opened, as a matter of fact, I went over with my friend Richard Allen and we cut the ribbon.

It's now open and it's now got people in it. We know that the average geared-to-income rent is somewhere about \$380, \$390 a month, somewhere in that ballpark. The actual rent that could be charged in order to make it economical is somewhere around \$1,200, so for all intents and purposes, about an \$800 difference. Agreed?

Hon Mr Leach: Yes.

Mr Bisson: That's the scenario we're working with. I take it that what you want to do, in moving out of the non-profits and out of the co-ops, is to stop paying that subsidy that they're getting. If you start giving a shelter subsidy, I take it that it will apply as well to those people living in co-ops?

Hon Mr Leach: I'm sorry. I missed the second part.

Mr Bisson: Okay, I'll just give everybody a second. I take it, when you're talking about creating shelter subsidies and cancelling and getting out of the non-profit housing business—

Hon Mr Leach: They're two unrelated issues, really.

Mr Bisson: Okay. So you're saying you will carry on with those that are there now?

Hon Mr Leach: Yes. Co-ops that are there now continue to exist under the contracts that we have with them, which run for 35 years.

Mr Bisson: So you will not reduce their budgets as far as the amount of money they get to make up the difference between the RGI and the—

Hon Mr Leach: What we're going to do is ensure that they become more efficient in the operation of the co-op. What we want to do is make sure that they're managing the project as efficiently as they possibly can.

Mr Bisson: That's a laudable goal.

Hon Mr Leach: It's quite possible that there would be less money, but it would be as a result of efficiencies.

Mr Bisson: That's a point. You're telling me the only cuts that co-ops can expect to get from you are in places where we're able to identify savings, and that those savings then will be transferred into reduction and—

Hon Mr Leach: Yes. We go right back to the project that you went over and cut the ribbon on last year. They have a 35-year operating agreement with us, and we will abide by that agreement. There won't be any changes in any existing co-op that is there. They will continue.

Mr Bisson: Okay. I just want to make sure we've got this really clear. An existing co-op that is now running, that's there now, that's being subsidized by the Ministry of Municipal Affairs and Housing will not have its subsidies reduced other than what you're able to find in—

Hon Mr Leach: Administrative savings.

Mr Bisson: Administrative savings. So there's no danger—because my fear is that if you reduce that too far, if you were to reduce it, it puts at risk your mortgage.

Mr Preston: Then we'd have to buy it out. We wouldn't want to do that.

Hon Mr Leach: That's one of the issues, that we have this \$800-million nut that we're going to be carrying for a long time. That's one of the problems we face.

Mr Bisson: Let's move over to those units that you are interested in privatizing.

Hon Mr Leach: There is one other aspect: the split between market units and rent-geared-to-income units. In some of the units, they have moved away from the agreed-to split. For example, if it was going to be 50% market and 50% rent-geared-to-income, some of them have moved up to 60%. They filled units, for example, with rent-geared-to-income rather than market. We're going to go back to the co-op organizations and say: "Look, you signed the agreement that it would be split-split. Live up to the agreement."

Mr Curling: Who's paying the difference on that?

Hon Mr Leach: We are.

Mr Bisson: I'm going to make a friendly suggestion here in regard to co-ops. You and a lot of members here have worked with co-ops in their ridings, I'm sure. The co-op model is a good one. I think we can all agree it's not the type of housing project we would all want to live in, but for a number of people that is a very good way of being able to provide affordable housing. We need to figure out some way, though, of making sure that the boards that run the co-ops have a certain amount of supervision, not only from the property manager who might be there that's hired by the board, but to have some sort of supervision on a larger scale.

One of the things that I found, in working with the co-ops in my riding, is that often there tend to be arguments with the board that transcend into problems in the co-op. Often they're caused by people really not understanding what the rules are, and sometimes games are played between the board itself and the person who happens to be their employee, if you follow my drift. I'm not going to get into any names, because I think we know what we're talking about.

Hon Mr Leach: The audit that you had carried out identified a number of those problems.

Mr Bisson: The only thing is, I wonder if the minister is interested in pursuing that as part of the work that your ministry does. I take it that what you've just told me is that you're going to cancel those co-ops that are there now, and I can go back to the sector of the housing and say categorically: "The ministry has told me co-ops are not going to be privatized. Those that are there now are staying." I'm glad that you're saying that and I congratulate you at least for that.

I would also like to be able to say to them—

Hon Mr Leach: You got that in writing?

Mr Bisson: No, listen. I have learned one thing, being in government and coming over to opposition: One thing that used to drive me absolutely crazy with you guys, quite frankly, was that we could never get any kind of cooperation on anything, and I said if I ever—God forbid—end up in opposition, I ain't going to do what the Tories did.

Interjections.

Mr Bisson: No. You guys don't know. You weren't there.

Hon Mr Leach: Is this the spirit of cooperation that I'm hearing?

Mr Bisson: Listen, it's a totally different discussion. I was talking to some of your colleagues. I think that one of the things we have to do in this Legislature, quite apart from the Ministry of Housing, is to figure out a way, as politicians and legislators, of doing some real parliamentary reform so that this place works, because right now it ain't working, and part of it is your approach as a government.

Mr Curling: You shut up the opposition.

Mr Bisson: Part of it is your approach as a government, and I'll be critical where I need to be critical. But I also recognize that 20%, 30%, 40% of it is the cause of our system and how it works, and I think where we can cooperate we should.

The Vice-Chair: Is that the end of the housing questions?

Mr Bisson: No. We're moving along here.

This is a friendly thing that I'm just going to put forward to you: Are you interested in looking at trying to figure out a way—and I won't use the words "make them more accountable as boards," because I think there are a lot of co-op boards out there that are doing some really good work and there are a lot of hardworking people doing the best that they can. Are you prepared to take a look, through some process where we can be involved as members of the opposition and the general public if possible, at how we can strengthen the present co-op system so that there is better accountability of boards, education for boards, that there are ways of making sure that boards are able to follow their bylaws and are somewhat in sync with each other, those kinds of issues?

Hon Mr Leach: Yes. There are a lot of procedures and regulations they have to follow now. If they were followed, we would be in a better position to see what's happening to them. One of the problems you run into and some of the problems that were identified by the auditor are, you get changes in staff, you get changes in boards, you get individuals who come in who don't understand the process, and by the time your next review is ready to take place, they're off on bad footing with tenants and other members of the board.

Mr Bisson: I'll use an example that you're not going to like, because it has to do with unions. In the union movement you have a staff representative who works for the union, who oversees a number of locals to make sure they're following their constitution and that they're doing things properly. I guess what I would suggest is that we have a similar kind of structure with somebody who can at least oversee what's happening with some of the boards to make sure that they're not doing things—

Hon Mr Leach: We have that type of process in our regional offices that oversee and visit on a regular basis.

Mr Bisson: I will talk to you privately about some of the issues I've had to deal with. I think there's really a lot of work to be done there.

Hon Mr Leach: If you have some suggestions of how we can streamline that process, I'd be glad to hear them.

Mr Bisson: We'll set up a meeting and we'll talk about that. Anyway, this is not the time for that. I was just sidetracked there.

In regard to other Ontario Housing projects, is it a stated position of the government that you wish to move to privatize or find other kinds of ownership arrangements for those units that are controlled by the Ministry of Housing?

Hon Mr Leach: That's correct.

Mr Bisson: When you do that, there's obviously a subsidy that's paid, and it comes back to the first question I asked around the co-op. The Ministry of Housing, from the rent that you're receiving to what it actually costs to run that place, which would be less than the \$1,200, because they're older units—I don't know exactly—do we have an idea of what those numbers would be, on average, on the older the Ontario Housing units?

Hon Mr Leach: Mac Carson, head of OHC, is here. 1730

Mr Bisson: What I'm looking for is what would be the average rent that you would have to charge in order to recoup the costs of the Ontario Housing units? Actual operating. Do you have a ballpark? It's about \$1,200 for co-ops. I take it it would be less for the OHCs.

Mr Chiesa: Roughly \$510 or \$511.

Mr Bisson: So it would be about \$510 or \$511, and the average rent paid is how much?

Mr Chiesa: Average rent paid is \$281.

Mr Mac Carson: It's biased by Metro.

Mr Bisson: Okay. On average, those units tend to be a heck of a lot older. They were built 10 or 15 years ago, some of them 20 years ago.

Mr Chiesa: They're 20 or 25 years old.

Mr Bisson: Yes, they're coming to the point of having to put more money back in. Okay, you've given me the information and now I can go back to the minister.

On those particular units, Minister—

Hon Mr Leach: Don't go away, Dino, because I didn't hear your answers. I'm sorry, I was tied up.

Mr Bisson: It's all right. We're talking about the Ontario Housing units now.

Hon Mr Leach: Yes, I was tied up with your Liberal friend.

Mr Bisson: On average the rent you would have to charge if I was a private landlord would be about \$510 on the existing costs of that building, versus \$281 of what you're getting in rent.

Hon Mr Leach: Yes.

Mr Bisson: So on those Ontario Housing units you're paying the difference between the \$281 and the \$510. If you go to a shelter allowance, and a private sector landlord was to buy it—that's the scenario I'm talking about—there's a couple of questions I have around that.

First of all, would you guarantee that the actual cost of the rent—let's say your actual cost now for the ministry is \$510, would you allow the landlord to push that cost up higher in order for him to build in a profit margin or how would you do that?

Hon Mr Leach: I don't know. There are a number of details that we're working out on the policy. It's an issue that's going to take a lot of investigation. There have been other areas that have looked into shelter allowances. Some of them have been successful, some of them have not. Before we make a decision on implementing that

policy I want to make sure we have the answers to all of those questions that you're asking.

Mr Bisson: Okay, let me try it this way: If the average cost is \$510 per unit and I buy it, do you plan on limiting the amount of rent they could charge?

Hon Mr Leach: It's very difficult to say because if the private sector manager or owner was in place it's quite likely, or not unlikely, that they would be able to manage the building at less cost, retain the existing rent—

Mr Bisson: It would probably go up.

Hon Mr Leach: —and show a profit. Not necessarily. It's pretty hard to come to that conclusion without having all the facts.

Mr Bisson: This is not combative. The reality is you're doing it at a not-for-profit basis at \$510 per month.

Mr Chiesa: The \$510, before you get off that number, what I didn't add and I should have added—that's only the operating. We also spend about \$100 per unit per month on capital, so the actual is about \$610.

Mr Bisson: All I'm saying is that as it is now we're running it as a not-for-profit. I'll just let you get your answer there. You're running it now as a not-for-profit and if I were to take it over as a private sector there's only certain things that I can do in order to reduce costs. I may have to increase the price in order to recoup my investment. That's only market forces, that's a possibility.

Hon Mr Leach: Yes, that's a possibility. It's also a possibility that the improvement and efficiencies may be able to take the costs down.

Mr Bisson: Well, it could happen. Let's follow it under two scenarios, and these are hypothetical. Private sector landlord takes it over and for whatever reason is able to run it at the same cost as what it cost you, \$610 a month. You're paying, on average, the difference between the \$281 and the \$610. Is it your intention to pay the shelter allowance to tenants in the exact amount that they have now so that they're no worse off than before? Would that be your intention?

Hon Mr Leach: We haven't developed that program as yet. As I mentioned, we would like to move to a shelter allowance program. There's many questions and many issues that have to be dealt with. The one that you're referring to now is one of them.

Mr Bisson: But there must be a premise that you're doing this by. Being in government—

Hon Mr Leach: The premise is, there are a lot of people in OHC accommodation who get this type of subsidy. My concern is the tens of thousands who aren't in OHC, who are on the waiting list, who don't get any subsidy. What I'm trying to do is—

Mr Bisson: There are all kinds of issues.

Hon Mr Leach: I don't know. We're still working on the program. It may be—and I want to emphasize the may be—that you have different types of programs. You may have a program for subsidizing people in OHC and a different shelter allowance program for people who can't get subsidized units.

Mr Bisson: But I'm trying to take it one issue at a time. If we mix all those issues in, we tend to get sidetracked, because there are a lot of issues involved here. I guess the problem I'm having is that if I was the

Minister of Housing and we were the government and we said, "We want to privatize"—not that we would, but let's say that would be the basis—"We want to privatize the non-profits within the control of the Ontario government," there would be some premises by which you would do it: "I want to put it in the private sector. I don't want to let tenants be any worse off than they are now." There are certain premises that you give to the study so people can go out and do the job and say at the end of the day, "Mr Minister, we've done the work, we've looked at what you've told us, and this is what it's going to cost if you do it the way you want. Here are the scenarios. You can do (a), (b), (c) or (d)." You must have given some direction to people.

Hon Mr Leach: Yes, we did, and it was all of the things that you mentioned. There are different scenarios. Do you get rid of all the subsidy programs you have now and develop a total shelter allowance program? Do you keep the subsidy system you have now for OHC and develop a shelter allowance for those who don't get anything? Is it parts of both? There are a number of issues. As you pointed out, there is (a), (b), (c), (d), (e), (f) and (g) that have to be thrown into the mix.

Mr Bisson: Never take (g). I've learned that. Never take (g). All right? Never trust them when they come in with a (g). All right? I did that once, been there before.

Hon Mr Leach: Staff are in the process now of coming up with the effects of each of the various options: "We can do this if we have this amount of money. We can do that if we have something else."

Mr Bisson: But let's push this a little bit further. Can you assure people who are now living in geared-to-income housing under the control of the government of Ontario that once they move to a private sector, because I take it not all of them will be privatized right away, but those that you do privatize, if they get a shelter subsidy, they will be no worse off than they are now? Can you guarantee them that at this point?

Hon Mr Leach: No, I can't guarantee that, because we're living up to the commitments that you made several years ago when you advised the residents in OHC that their rents were going to increase—

Mr Bisson: Yes, at 1% per year.

Hon Mr Leach: —at 1% a year, so that it's going up to 30%, so—

Mr Bisson: No, no, let's follow that. We made a decision as a government it would go from 25% to 30% over a period of four or five years.

Hon Mr Leach: You had circumstances that—

Mr Bisson: No, no—

Hon Mr Leach: Let me—this is a friendly argument here.

Mr Bisson: Let's go for a beer, Al.

The Vice-Chair: Count me in because I'm ready to leave. I've been trying to leave for an hour now.

Mr Bisson: Six o'clock, I was told.

The Vice-Chair: Who cares about the clock?

Hon Mr Leach: There were conditions that came to light when you formed the government where you said the subsidy rate is now 25%.

Mr Bisson: Oh, yes. I have the scars to show for that.

Hon Mr Leach: These conditions have come in that are going to cause us to raise that RGI to 30%. I can't guarantee you there won't be another set of conditions at some point where we'll create another review.

Mr Bisson: I understand that part, but that's not the point that I'm dealing with. I recognize at one point what you may end up having to do is move it from 30% to 35%, that could happen, but the question I'm asking, the premise by which you do the switch from being in a non-profit Ontario Housing unit to going into the private landlord who buys it over, can you say to the renters of those units, "Now, our intention is you'll be no worse off than you were the day the transfer happened?"

Hon Mr Leach: It's difficult to say. We've asked OHC to go out and look at the portfolio, see what parts of the portfolio we may be able to privatize now and, by the way, this is not new. For example, I know there were OHC units that were privatized by the NDP.

Mr Bisson: Oh, yes, there were some that you'd switch over, yes.

Hon Mr Leach: You switch over. That's what we're looking at now is the immediate effect of, "Okay, what units do we have in the system now that are appropriate for switching over?" and I don't know what the effect of that is going to be.

Mr Bisson: You don't know at this point?

Hon Mr Leach: No. It's under review by OHC.

Mr Bisson: All right. There's no use shaking this tree, there's nothing falling out of it. Now, on to the next one. How much time do I have? How much time do I have for when I come back tomorrow?

The Vice-Chair: Six minutes.

Mr Bisson: Six minutes? Can I take them tomorrow morning, first one up tomorrow?

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Mrs Ross: Monday.

Mr Bisson: Monday, I should say.

The Vice-Chair: The Conservatives have 10 minutes left for today. Finish your six minutes.

Hon Mr Leach: I'll tell you what. We'll walk away from our 10 minutes if you walk away from your six.

Mr Bisson: You're not a committee member, you're the minister.

Interjections.

Hon Mr Leach: I'm trying to be a conciliator.

The Vice-Chair: You heard that?

Mrs Ross: That's a good suggestion. I'll agree to that.

The Vice-Chair: They agree with that. Do you agree?

Mr Bisson: No, I don't.

The Vice-Chair: It's five minutes.

Mr Bisson: I want to move over to the other tree just for a second. On the question of waiting lists—

Hon Mr Leach: This may be a tough one and I may have to concentrate for about five minutes.

Mr Bisson: Don't fall asleep on me, now. On the waiting lists, one of comments you make, and I disagree with you, quite frankly, is that you see them as being unfair because people who are on the list wait for a long time to get on. But do you recognize that there are waiting lists that are based on need and it's based on your circumstance?

Hon Mr Leach: Yes, it does, it is on need, but that doesn't mean the people who don't make it aren't needy as well. Because you miss the brass ring by one point doesn't make you very much less needy.

Mr Bisson: But is it possible I'll miss the brass ring when it comes to my shelter subsidy by the same point and not get the shelter subsidy and not be any better off?

Hon Mr Leach: Well, that's one of the things we're reviewing. I mean, what happens? We know we're going to make things better for a whole lot more people, but I guess, is there always somebody just on the other side of the boundary? It's difficult to say. We know what the ultimate goal is, and I think you would agree with it and I think it's something we all strive to try and sort out as members of the Legislature, to try and eliminate that list, if it's at all possible to eliminate that list.

Mr Bisson: No, I would argue I'm not trying to eliminate the list, never have, because there are people who apply for non-profit housing units, quite frankly, who are very low on the point standing who will never have a chance of getting in. That's what the system was intended for, because we built the non-profits—no, just one second. We built the non-profits on the basis—and we'll talk about only one sector, let's say, housing for seniors—of those who were most in need are the first ones to get in, those who have less need are further down the list, and if we tried to fill the entire list, we wouldn't have enough money to do it. Do you agree?

Hon Mr Leach: Yes, but if you went to a shelter allowance program, one of the other options that could be looked at is that the shelter allowance isn't the same for everybody. If you have people who are very low on the list, very little need, perhaps they get a small amount of shelter allowance, just the amount they need to help them over the edge.

Mr Bisson: But that's what we do now in geared-income rent, people paying varying amounts of rent, based on their income status. It's the same thing.

Hon Mr Leach: But that's all based on a unit. It's rent geared to income on a subsidized unit, and rather than giving it to the unit, let's give it to the individual.

Mr Bisson: No, but the problem with what you're saying is that if you're saying everybody on that list should be given an opportunity through a shelter allowance program, the opportunity of getting a varying amount money in order to go find an apartment somewhere, based on their situation, it's going to cost you a heck of a lot more money than what it's costing you now for non-profits.

Hon Mr Leach: Not necessarily. Let's use a hypothetical situation. You might have a single mom with two or three kids who can't afford to rent an apartment, so she lives in a basement apartment or something along that line. If you develop a subsidy, she doesn't meet the quotas thing because she's got a job and she's making X number of dollars and she misses the brass ring by a couple of points. If we provided a shelter allowance—

Mr Bisson: Look at the hole you're making here.

Hon Mr Leach: —it would allow her to improve her position.

Mr Bisson: You're digging a pit. That would cost a lot of money if you tried to do it that way. If the point of

what you're trying to do is, somebody who's now getting a geared-to-income rent is no worse off under your shelter subsidy allowance system, and you lower the threshold so that people who didn't qualify on the list of the non-profits are going to qualify under your program, it's going to cost us a heck of a lot more money than what we're spending now.

That's the problem I'm having in your approach. I accept that you want to do some changes on ideological principles. I may not agree with it but I accept that's your position and I respect you for your views. But the arguments you're putting together here don't stand up. It doesn't add up. What you've got to do is to come clean at the end.

Hon Mr Leach: I understand where you're coming from. I understand your position on this.

Mr Bisson: But the last point, and this will be the last point of the day, is that if you want to protect people who are now in the system and you do what you suggest, it's going to cost you a heck of a lot more money. The tradeoff is you're going to have people fall out of the system. That's really what it comes down to.

Hon Mr Leach: Not necessarily. I recognize where you're coming from but I don't fully accept that position.

One of the other problems I have with subsidizing units instead of subsidizing individuals is that if that individual decides to move, for whatever reasons, to

another locale, from Toronto to Mississauga, he's back out in the cold again.

The Vice-Chair: That's it. You can go and have a beer now.

Mr Bisson: All right, Al, where we going?

The Vice-Chair: It being 6 of the clock—

Mrs Ross: It being 10 to 6, we're willing to forfeit 10 minutes of our 30 minutes.

Mr Bisson: Oh, no. Come on.

The Vice-Chair: Therefore, I will deem it to be 6 of the clock and we shall adjourn till Monday.

Hon Mr Leach: Mr Chairman, I need some advice from the committee. On Monday morning, Bill 20 goes to committee. I have to make an opening statement and be there for the response from the opposition parties, which is about an hour. I'll be guided by the committee. We can either start an hour late or whatever.

Mr Bisson: As long as we don't lose time.

Hon Mr Leach: Or the deputy—

The Vice-Chair: Why don't we have the deputy, yes.

Hon Mr Leach: The deputy can be here and the staff can be here, and if there are questions that you want to direct to me, we'll do them later.

The Vice-Chair: That's fine.

Mr Bisson: I'll see you on the other committee. I'll be responding to you.

The Vice-Chair: We're adjourned.

The committee adjourned at 1748.

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*Sheehan, Frank (Lincoln PC)

Wettlaufer, Wayne (Kitchener PC)

**In attendance / présents*

Substitutions present / Membres remplaçants présents:

Preston, Peter (Brant-Haldimand PC) for Mr Jim Brown

Baird, John (Nepean PC) for Mr Clement

Pettit, Trevor (Hamilton Mountain PC) for Mr Wettlaufer

Also taking part / Autre participants et participantes:

Cooke, David S. (Windsor-Riverside ND)

Ecker, Janet, parliamentary assistant to the Minister of Community and Social Services

Marland, Margaret (Mississauga South \ -Sud PC)

Clerk pro tem / Greffière par intérim: Deller, Deborah

Staff / Personnel: Poelking, Steve, research officer, Legislative Research Service

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Official Report of Debates (Hansard)

Monday 12 February 1996

Journal des débats (Hansard)

Lundi 12 février 1996

**Standing committee on
estimates**

**Comité permanent des
budgets des dépenses**

Ministry of Municipal Affairs
and Housing

Ministère des Affaires municipales
et du Logement



Chair: Alvin Curling
Clerk: Tannis Manikel

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Monday 12 February 1996

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*The committee met at 0906 in committee room 1.*MINISTRY OF MUNICIPAL AFFAIRS
AND HOUSING

The Vice-Chair (Mr Joseph Cordiano): Members of the estimates committee, we will resume with the Deputy Minister of Municipal Affairs and Housing. Mr Burns is here with us this morning and the minister will join us within an hour. I believe he is scheduled to come back. He's visiting our neighbours next door. So we'll continue. I believe the Conservatives have 20 minutes.

Mrs Lillian Ross (Hamilton West): Good morning. Can you please tell me, with the cancellation of the non-profit housing that went forward a couple of months ago, how many non-profit housing units are there now?

Mr Daniel Burns: I'd ask a couple of ministry officials to join us to help with the specific questions, Dino and maybe Patti as well.

Mr Dino Chiesa: I'm Dino Chiesa. The number of post-1986 committed units is 84,187 and the ones that were committed pre-1986 were 26,342, for a total of 110,529.

Mrs Ross: So that's how many units are currently existing now.

Ms Patti Redmond: That's right, under administration right now. We make the distinction between pre-1986 and post-1986 because that's the point by which the province assumed lead responsibility for housing. So although there are subsidies being provided in the pre-1986 units by the province, the federal government has the lead on those. So that's why we make that distinction.

Mr Alvin Curling (Scarborough North): It was 84,000 for pre-1986?

Ms Redmond: No, 84,000 for the post-1986, so that's the number of units that were developed under the federal-provincial program, the Project 3000, Homes Now, Project 10,000, those programs.

Mrs Ross: Excuse me; I'm a little confused about this. Is co-op housing included in that amount?

Mr Chiesa: Yes, the co-op housing is included in that amount. Co-op, not-for-profit and the municipal non-profit are all bulked together in that number.

Mrs Ross: I believe when we left last week we were told that the co-op housing, nothing was going to happen with those units because we sort of hold the mortgage for 30 years. Is that correct?

Mr Burns: As these projects are developed, when they open, they open typically with 35-year financing and a 35-year operating agreement between the sponsor and the ministry. That operating agreement covers the basic norms that we set out for program administration and the

basic ingredients of the financial relationship. That's the factual part of your question.

On the second part—"Does that mean that nothing can be done?" if I can use your words—it is possible to redesign program parameters, it is possible to look at financing alternatives, but that must be done in the context of recognizing that this housing stock does have mortgage debt on it and the sponsor groups do have operating agreements with the ministry.

Mrs Ross: In the non-profit housing units, are most of those housing units rent-geared-to-income?

Mr Chiesa: It varies but, on average, about 70% of the units are rent-geared-to-income within those numbers. The rest of them are rented at market rents.

Mrs Ross: The ones that are rent-geared-to-income, is there a particular ratio that you look at? Is it 30%?

Mr Chiesa: The current percentage that's used is 28% of the income is what the tenant pays for rent.

Mrs Ross: Is that comparable to what other provinces would charge for non-profit housing?

Mr Chiesa: It varies. Some provinces charge more, up to 30%, and I think one or two charge 25%. They're looking at their funding.

I'm sorry, the one point I didn't make, when you asked a question on the percentage of RGI, the 70% applies to the ones that were done post-1986. The ones that were earlier than that, the percentage of rent-geared-to-income units is a little less than 70%.

Mrs Ross: Post-1985 is because previous to that it was federal?

Ms Redmond: Pre-1985 is federal lead and post-1985 is the provincial lead on the program. The pre-1985 programs had a minimum 25% geared to income and up to 50%. They have a much lower percentage, on average, of geared-to-income units in them than the ones under provincial administration, which are, on average, 70% geared to income.

Mrs Ross: I want to ask about the co-op housing again. From what I heard last week, is it true that anyone can apply to co-op housing; it doesn't matter what your income is? Is that correct?

Mr Chiesa: That's correct.

Mrs Ross: Say someone is making \$60,000 a year and they apply for co-op housing. Are they subsidized in that unit?

Mr Chiesa: Well, yes and no. What the person would pay is the market rent. In other words, if that project were built and it were not co-op, or not not-for-profit, just a regular apartment rental building, and the rent for that unit might be \$800, then that person would pay the \$800. Where it gets a little bit complicated is that with the actual cost to put up a new unit and the actual cost

associated with that—the repayment of the debt and the operating cost—the break-even rent is somewhat higher; on average, it's around \$1,200. So there is, in that particular case, a \$400 what we call bridge subsidy, to bridge the gap between the economic rent or break-even rent and the market rent. In effect, they are—

Mrs Ross: They're subsidized.

Mr Chiesa: There is a subsidy, but it's a different kind of subsidy. It's not a rent-income subsidy.

Mrs Ross: I also understood that co-op housing was built with standards that were higher than, say, other housing that was being built. Is that correct?

Ms Redmond: Yes, the technical standards that the ministry developed for the program have higher standards in areas like energy efficiency than the building code would require, looking at standards that would help to reduce the long-term operating costs. But yes, that's true.

Mr Ross: So they would have, say, high-efficiency furnaces as opposed to mid-efficiency, that sort of thing.

Ms Redmond: They have standards that exceed the requirements in the building code, and yes, they would have things like higher-efficiency furnaces. They also have different standards with respect to modifications for the physically disabled units as well.

Mrs Ross: I need to get all these facts straight, so I'm going to pass on further questions till I get them all sorted out in my mind. Peter, did you—

Mr Peter Preston (Brant-Haldimand): Preston, the sergeant of the Yukon.

Mr Gilles Bisson (Cochrane South): That's what I was about to say.

Mr Preston: Everybody does.

The bottom line is that we've got 110,000 units out there, roughly. How many of those are costing us 10 grand a year?

Ms Redmond: The \$10,000 a unit is the approximate average for the post-1985 program.

Mr Chiesa: About 84,000.

Mr Preston: All right. Those are the ones that we are on the hook for the mortgage too.

Ms Redmond: Yes.

Mr Preston: What about the pre-1985? Are we on the hook for the mortgage for those?

Ms Redmond: It depends. There are some units that the province has more of a role in, and that's the municipal component of the post-1985. But no, they're the federally led programs.

Mr Preston: What are the post-1985s costing us?

Ms Redmond: Sorry, the pre-1985; I misspoke myself. I apologize.

The Vice-Chair: Let's not get the last 10 years confused. I want to make sure we make that very clear.

Mr Preston: What are the pre-1985s costing us?

Ms Redmond: I don't actually have the answer in front of me, but it's considerably less because those units are much older, so the mortgages have been paid down. The other aspect is that the federal government's contribution is part of it as well. But I can get that answer for you and provide it to you later.

Mr Preston: I don't need dollars and cents. Is it half?

Ms Redmond: It's probably a little less than half.

Mr Preston: Four grand, roughly?

Ms Redmond: We can look it up, but roughly.

Mr Chiesa: It would be less than half.

Mr Burns: The most important reason that it's less than half is the same reason that the Ontario Housing Corp's subsidies are less. They were built before the inflation of the 1970s and early 1980s, which reduced the proportion of the operating cost that goes to debt servicing.

Mr E.J. Douglas Rollins (Quinte): Of the units we have available, how many are equipped for disabled people?

Mr Chiesa: It depends on the project, but it's between 5% and 10%.

Mr Rollins: Only between 5% and 10%.

Ms Redmond: That are modified for the physically disabled—wider hallways and modifications to the bathroom and things like that. There are some projects that are 100% modified, depending on the sponsor group and what tenants they were proposing to have, but it does average around 5% to 10%.

Mr Rollins: We have some that are 100% for disabled?

Ms Redmond: Yes.

Mr Rollins: I see. Most of those would be located in Metro or around this area, or are they in the outlying areas? I find it strange that in Quinte, I don't believe we have any that are capable of—

Ms Redmond: No, I think they're concentrated in Metro and larger urban areas, but there are some units that are all modified because the sponsor group that was sponsoring the project, that was the particular kind of tenant they were proposing, and in some cases they also have support service funding from another ministry.

Mr Rollins: Some of those units are equipped so that there are blind people in them too?

Ms Redmond: Yes, there are projects for the visually impaired.

Mr Rollins: So there are a number of those. Would the costs be quite a bit higher on those units than they would the others as far as costs are concerned?

Mr Chiesa: There's about a 15% allowance that we allow. Sometimes it gets that high, sometimes it's less, but the maximum that's allowed is 15%. They usually come in at less than that.

Mr Rollins: Just because of the added facilities that they have to have.

Mr Chiesa: Correct, all the way from architectural design to actual building in place.

Mr Rollins: A large number of these units are designed basically for seniors also, or is it just that they kind of grow into that system, they get into it when they're younger and they work in that way?

Ms Redmond: Most of the seniors' projects that are just for seniors don't really have any physical modification, although some of them have some additional requirements in terms of motion, if they hadn't moved in their unit and things like that. I don't think they are much more expensive. There's no additional capital required in those units. That's different if the project is actually targeted for the frail elderly, seniors who are in need of some level of support care. They may have additional requirements as well.

0920

Mr Chiesa: There are some architectural details to it where the plugs sometimes are a little bit higher and there are modifications to the washrooms with grab bars, just very basic, standard things they would have, kitchen cabinets a little lower, just different aspects to it that are more sensitive to seniors' needs.

Mr Rollins: So they are adjusted, in many cases, for that?

Mr Chiesa: Yes, they are.

Mr Rollins: I think that's one of the pluses for it, because we continually need to be reminded that we do have people who require different facilities and that we should keep building for them to some extent.

With older places, we're basically tied into that pre-1984 bill. We're tied into that for some time yet, I believe?

Mr Burns: Yes. The very first generation of projects funded by the federal government under the approach that used local sponsors, non-profits and cooperatives, the ones built in the late 1960s which had 25-year mortgages, have been burning their mortgages in the last few years. But the programs that we're involved in administering, nobody is about to reach the end of their mortgage operating agreement period in the next few years. They've got a while to go.

Mr Rollins: What percentage did we go into with that? The feds are into it, and I know we're into it to some extent. But what are we into, just the operating of it?

Mr Burns: The federal-provincial program, which is the largest component of all of this, is a 50-50 cost-shared program. But the province for some years has been funding non-profit and cooperative housing on what's called a unilateral basis, which essentially means using our own money entirely. For those programs and those projects we support 100% of the necessary costs.

Mr Rollins: So there's no federal support in those whatsoever?

Mr Burns: Not in what we call the unilateral ones, no.

Mr Rollins: I see. Are they representing a larger number or are they about the 26,000 of those that we're into?

Mr Burns: They're part of the 84,000. The federal government progressively reduced its funding through the 1980s and into the 1990s and stopped, I think entirely, in 1992 or 1993. The province began in 1987 to fund unilaterally, significantly, and from 1987 till last July funded a considerable volume of new construction each year.

Mr Rollins: I think that probably runs us awfully close to our time.

The Vice-Chair: You have about three minutes. You have till 9:28. From my vantage point it looks like 9:25.

Mrs Ross: Just one more question. I'm going back to co-op housing again. If, in the past, a community-based organization came to the province and said, "I want to develop 100 units," I'm a little confused about who's supplying the money for those 100 units. Can you help me with that?

Mr Burns: Let me just go through the steps. The first thing was to have the application evaluated. The evaluation system changed over time, but in more recent years it's been a competitive process. There were far more

applicants than there was funding available. If you got past the evaluation process, you got a preliminary letter from the ministry saying, "You can start." The ministry would then arrange for some very preliminary financing to be made available to you from a bank. We operated a financing program competitively. We're trying to get good rates for the whole system.

You would then begin to work with an architect and a planner, lawyer, whoever you had to work with towards your project. The costs, as they arose during the project, would be run until the point when it opened, at which point they would be converted to a mortgage. It's identical, really, to the process used in private development.

That financing was made available from private sector financial institutions. What we did was arrange for competitive rates through a process we use to manage the financing in the program, but the actual money comes from a bank. At the end, the mortgages are all private sector mortgages, if I can put it that way. They're all held by banks or trust companies.

Mrs Ross: Then, with respect to upkeep and maintenance of co-op housing, that responsibility lies with whom?

Mr Burns: It lies with the sponsor. They own and operate the project. What they have with the ministry is an operating agreement that says something about how people who are going to get RGI assistance are to be chosen, their annual re-evaluation and other standards we require that the project meet. They have to make an annual submission on their operating budget. They have to give us their audited financial statements each year. The auditor is required to look at more than just adding the numbers up; he has to look at whether they're doing, for instance, the income calculations correctly.

That operating agreement establishes the financial relationship between the ministry and the operator, the operator looking at their budget, their expenses—the biggest expense is debt service, followed usually by property taxes and utilities, and then finally what we call manageable costs, the ones they really make decisions about: the annual maintenance program and whatever staffing they have in place. That's their cost side. They have a revenue side made up of their rent revenue, and the gap between their rent revenue and their allowable expenses is met by the ministry.

The Vice-Chair: Your time has elapsed.

Mr Curling: Let me follow through on what we're talking about: public housing and the private housing concept. The Conservatives asked about market rent, how much subsidization goes on in non-profit housing and what kind of subsidization you would say in the private sector. The question was, are those paying market rent subsidized? A good question. Would persons paying market rent get the same value for the money that they paid in non-profit housing or in co-op housing as they go to the private sector?

Mr Burns: If the system is working properly, people in units within the non-profit cooperative sector who are paying rents based on market benchmarks should be paying what they would pay for a similar unit in a private sector building nearby.

Mr Curling: Then the motivation of a person who comes into a co-op or a non-profit home to be in there—I don't want you to anticipate their feelings about coming into a co-op. They're not being offered anything more. Are there any studies showing why they would want to live in non-profit housing more than a privately run enterprise?

Mr Burns: I don't know of any studies that have looked at that particular issue, no.

Mr Curling: The reason I'm asking that is that many people feel that those who are paying market rent seem to be getting a big bargain and that they are being more subsidized than in the private sector. Correct me if I'm wrong, but I think the concept is not to have, if you want to call it a ghetto, of people who are RGIs only living in a place but to have some people at market rent to say this is a community that is a normal community outside. Many of the people who pay market rent most of the time are dumped upon, feeling that they're getting something more and they're being subsidized. That concept has to go, because there are two different types of concepts that are being run outside, and the quickness to dump on those people sometimes is very unfair. I hear that quite often. In other words, what we want to achieve in public or non-profit housing could not be achieved if we didn't have those market rent people living there, because they contribute their kind of day-to-day living also. It's a comment. I don't know if you want to comment too.

Mr Chiesa: You're commenting on integration and the concept of how that works within that context, and that's the program. It was based on that premise.

Mr Burns: Let me say one last thing about the financial arrangements. While it's true that rents paid by market tenants in this program are benchmarked against private sector rents, it's also true that those rents are less than what would be required to retire the cost of creating the particular unit or to manage it. That's what Dino said before about saying there are two points of view on this. My memory of what my economics professors used to say is that if a good or a service is offered at less than the cost of producing it, then there's a subsidy in that, if it's done by the public sector.

0930

Mr Curling: That's a good point, Deputy, because we're having two types of concepts of housing out there. One is that the government went into the public housing business in order to manage, if you want to call it lives, some people in transition and some people whose income was such that they could not access the private market, and somehow it needs even more. Therefore, the cost to run that kind of non-profit, that kind of concept of housing, will be much higher than the private sector. The private sector would not be concerned about counselling and all the other aspects of things that would be necessary in those non-profit housing, so therefore the cost would be higher.

My economics teacher would dissociate the social aspect of it and the social cost because she is, like someone said, comparing apples and oranges or maybe grapefruit and oranges, which look alike and almost taste alike

but sometimes they are slightly different, and we get into that kind of concept and the cost is higher.

Therefore, would you agree that running non-profit housing, its entire cost, taking everything into consideration, is much higher than running a private concept of housing?

Mr Burns: Let's disentangle the costs a little bit. I ran through some major components of cost before. I'll just run through them again. The first one is debt service: For co-ops and non-profits built recently, the cost of servicing that debt is obviously a lot higher than debt service for projects built 15, 20 or 25 years ago, whether they're private or public housing or non-profits built a long time ago. Let's take that aside and look at the remainder.

The property tax and utilities bills should be roughly comparable, a lot of things being equal between the two sectors. So leave that aside.

That takes you to what I called before the manageable costs. There are parts of those costs where costs in the non-profit sector should be comparable to ones in the private sector, the ones for a lot of the maintenance activities, for administering the basic landlord-tenant relationship.

Then there are going to be some costs that will inevitably be higher in the non-profit sector because of the requirements we put on non-profit operators to do things that a private landlord wouldn't have to do, like administer a tenant selection system, administer an annual rent recalculation with an individual tenant; and in the case of providers who also have either wholly or a large portion of their tenant population households with special needs, they may have to provide extra levels of service.

But I think it's important to disentangle those parts of the cost structure where you can and should use private sector benchmarking from those where you can't because we're essentially asking them to do a bunch of things that wouldn't arise in a private sector context.

Mr Curling: I think you put it very well, Deputy. Therefore, we can contract out some of the jobs to be done in that housing to the private sector; if someone wants to come in and fix the doors, we'll privately contract it out and we can take care of that, so it must be comparatively speaking. In other words, if you replace 50 doors in the private market and replace 50 doors in a non-profit market, it's supposed to be the same. But somehow we find that the management of that really increases the costs, and then the burden comes that it costs more to run a non-profit, maybe because of bad management, bad contractual agreements, and then the tenants—one of the things, and that is the political part, where the decisions are made politically, is to say, "We must get out of the business because we were just bad managers." Therefore, the concept of why we are in public housing goes out the door because of the other things: There are the other, human factors that are taken into consideration, that have a cost that is not in the private sector, that have got to be attached to the public housing sector, so the cost goes up.

The point I would like to make is that when you're making your presentation to the minister on all that, emphasize the human aspect of it all the time, the human cost for life and the human cost financially to have the

counselling, that it costs to run a democratic process within the tenants' association. I think that when we get out of that market, we're going to lose people and how to assist them to manage their lives.

Let me go on a little bit. I'd asked the minister the last time about interministerial committees. Maybe I could ask you too, Deputy. The Ministry of Community and Social Services, the Ministry of Health and the Ministry of Housing: Do you, as deputies, meet in regard to housing challenges that you have and have to deal with? Do you meet on that regular basis?

Mr Burns: We have a similar structure to the one the minister described last week. There's a permanent committee of deputy ministers in the social policy ministries who meet to deal with the entire range of issues that arises among social policy ministries. In addition to that, on an issue basis or a project basis or a proposal bases, we will create a committee to work on a particular set of issues or problems for a period of time. It's identical in that it mirrors and is analogous to the political discussion you heard the minister describe last week.

Mr Curling: Let me take a specific case then. At the moment, is there no interministerial committee dealing with the homeless? Some of the costs of support for some of those people who are out there are assisted and supported by Community and Social Services, or some costs are supported by the Ministry of Health. Is there such a committee now dealing with that?

Mr Burns: We have and have had for a very long time an interministerial process for talking about all those situations where housing for people and services to people come together. People who are now homeless who might be trying to enter the permanent housing world as opposed to the hostel world often come across non-profits that specialize or make a particular point of trying to support and help those people. We have and have had for a very long time with Health and Comsoc dialogue about what is usually called supportive housing, of which this is one aspect. We continue to have that forum and that process and we've been charged recently with looking at the issues the minister mentioned to you the last time we met.

Mr Curling: So there is no permanent structure. It's just you meet from time to time, as you said, in regard to issues that may arise that have some impact on the ministers.

Mr Burns: The structure is effectively permanent. Whether we're meeting intensely or less intensely depends on what's on the agenda.

Mr Curling: I would have thought that the 20,000 homeless people out there would have been a situation that one would have been meeting regularly on to see how we can resolve most of the problems there. That was my concern.

Maybe you and your staff could help me about shelter allowances versus RGI. Are there any studies being done now about benefits that are more positive with shelter allowances than having the RGI? How much money—I think someone had quoted—now is being dispensed in RGI and how much money would one anticipate in the shelter allowance direction that the government is going to go?

0940

Mr Burns: As the minister indicated last week, and I actually participated in that discussion as well, we now provide support to households in the housing market through the RGI system, taking all programs together, in an amount that is roughly \$700 million a year in value, plus the shelter component of income security programs administered by the Ministry of Community and Social Services amounts to about \$2 billion a year in the current configuration of the program. Those are the base numbers.

As the minister indicated, we are looking at the introduction of a shelter allowance program, at the options for approaching the introduction of a shelter allowance program. We have not finished that work. The work is under way; we have not finished it.

As the minister indicated, an important ingredient in this consideration is what the federal government is doing in the same terrain. The Canada Mortgage and Housing Corp was the subject of a program review in the last year. Minister Martin announced in the last federal budget that the federal government would be doing program reviews of quite a large number of federal crowns and non-core programs of the federal government.

It's our understanding that the program review of Canada Mortgage and Housing is complete, but we don't know what the conclusion is. We're expecting to hear either in the federal budget or around the federal budget. That will be an important ingredient in thinking about what options the province might have for looking at the introduction of a shelter allowance approach within the social housing terrain.

Mr Curling: So the RGI program combined with Comsoc is about \$2.7 billion.

Mr Burns: This year, yes.

Mr Curling: With the anticipated move to shelter allowance, there are two considerations: one, that more people would get assistance with access to affordable housing. Is that the concept? Is that the direction they want to move, that shelter allowance would give people more access to affordable housing?

Mr Burns: As the minister indicated last week, the situation we have at the moment among households who have the most limited means is this: If you happen to get your shelter supported through the Ministry of Community and Social Services programs, you get a pretty good level of support in a lot of housing markets in the province; if you get your support because you happen to be living in a unit which allows you to have a rent-geared-to-income arrangement, you get quite a lot of support; but if you're in neither of those situations but you have very limited means, you don't get any support. It's in that third part of the community of households with very limited means that you get households paying 50%, 60%, 70% of their income for rent.

As the minister indicated last week, that horizontal inequity, to use a policy term, is something he wants to address, and it is a key component, obviously, in the policy work we're doing on the question of shelter allowances.

Mr Curling: I understand the inequity or the cliché used all the time that we don't want to subsidize build-

ings, that we want to subsidize people, or something of that sort. With that configuration that he's going to change, do you feel we would serve more people—that's the point I'm trying to get at—in getting access to affordable housing and that there'd be no decrease in the support of what they give now?

In other words, if one individual is being subsidized for 80% of the rent, do you anticipate that when shelter allowance comes in, that 80% subsidy will be reduced? You're saying, "We want to give more." It's easier, like day care, where what they have done is put a limit on it and said, "We have this amount of money and more people will be served." Will those people who are getting a subsidy to some high level because of their inadequate income—is it an anticipation that that will be reduced, the cost of shelter allowance?

Mr Burns: I'm not anticipating any particular outcome because at this moment in time what we've been asked to do by the government, as the minister indicated last week, is to examine the terrain carefully, to present the cabinet with options, to cost those options, to look at the implementation issues, to consider the position of the federal government, and it would be leaping to conclusions for me to draw a conclusion at this point of what might happen when the cabinet has that policy discussion.

Mr Curling: One of the things that is going to control shelter allowance is the anticipated lifting of rent control, and the minister said he will be looking for an alternative to rent control. Do you feel—there are more studies done in regard to rent control—that change itself will have a negative impact or a positive impact with regard to shelter allowance? In other words, rent control—

Mr Burns: This is another terrain where the cabinet has asked for its options, and as the minister again indicated last week, that is what we're working on. While he was pretty clear on his views about the current system, he didn't indicate, and I can't indicate, that the system that will arise after rent control will look like A, B, C or D. The decision hasn't been made yet.

Mr Curling: Deputy, I can understand where you're coming from; I can't understand where the minister is coming from entirely, because most of the funds we have here are driven by political decisions, and I just want to know where they are going with all of that.

Last week I gave an indication that I wanted to talk a little bit about employment equity and the department you have within that ministry. What is the total amount of funds available to employment equity in your ministry?

Mr Burns: I should answer that question in two parts. First, in the estimates book you have before you the employment equity program, as it existed at the time this book was put together, would have cost the ministry, in rough terms, about \$240,000 this year. However, I should indicate that the employment equity office doesn't exist as a separate entity any more. The new government, as you know, has moved away from the employment equity approach that the last government took, and as part of that, employment equity offices were wound up in their historic configuration. The responsibilities that remain are now part of the larger mandate of human resource branches in just about every ministry, including ours.

Mr Curling: Did you lose that money in the process, or was that money absorbed into human resources?

Mr Burns: In the first instance we simply reconfigured the organization so that the staff and budget responsibilities were merged in the way I indicated. Both in-year and for the next two years, we are looking at reducing the size and cost of our organization. That applies to all our functions.

Mr Curling: What negative impact did it have on the ministry when it was asked to cancel the employment equity division or department or section?

Mr Burns: I'm not quite sure what you might mean by a "negative impact." It had the impact I described. Whether that's positive or negative is, I guess, in the eye of the beholder.

Mr Curling: The negative impact—I presume the positive impact, let me put it this way, is recognizing that there were barriers existing within the system that were not allowing people to be promoted or to be employed or to be trained, and what you've described is you've said most of that has moved over to the human resources area. 0950

Mr Burns: I think I now appreciate what you're asking. Our ministry, like all ministries, has an obligation to ensure that its human resource practices are of the highest possible standard, that its training programs are available to all of its employees, that its promotion competitions are operated in the most open and fair manner. Those obligations remain, irrespective of the organizational design we might use to reflect our part of a government's interest in these issues.

Mr Curling: Let me ask you this other question then, Deputy. In the past it was recognized that this was not being achieved and then the employment equity area came into being in order to address those challenges that were before us. Now it's gone, and you say that it was always the intention of the ministry to recognize these situations and deal with them as fair as possible. In the past, though, the problem was that, with all the great intentions, it wasn't being done. The government came in and said, "It's not being done, so here is an area we'll put in in order to recognize that." Then another government comes in and says, "We don't need that because we've always been fair." My question then was to say, what has changed? What positive or negative impact has this had? I'm not quite sure that it would have made any difference if it was there or not, because you said that all the time we were doing the things that were right. But people are saying no, it wasn't right, because people weren't being advanced through the system.

We being—"we" the government, that is—one of the largest employers, we're very much guilty, even more than the private sector, of some of the systemic discrimination that was happening. So you can assure me now, then, or reassure me, that employment equity, not in its clichéd term, is being done and that nothing has changed really, you are moving still towards having equity in the workplace, and that will be achieved even without the \$240,000 division or section they had in the ministry?

Mr Burns: I think to fully appreciate your question I'd have to ask what you meant by some of the things that you indicated you thought were important goals or

aspects of this, but I just repeat what I said before. Those base responsibilities remain. The new government has made it quite clear that policy framework for equal opportunity will include ongoing attention to the issues that I mentioned before.

Mr Curling: The staff that were employed by the employment equity area, are they still there? Has anybody lost jobs? Has anybody been laid off?

Mr Burns: As I indicated before, the staffing that had been a part of the employment equity office in the Ministry of Housing before the change in government is now part of the base staffing of the human resource branch in our ministry.

The Vice-Chair: Thank you, Mr Curling. We turn to the New Democratic Party.

Mr Tony Martin (Sault Ste Marie): I just want to say at the outset how troubled I am with the direction that I anticipate this government is going re the question of public housing and getting out of the business of housing in that we live in a society today, particularly here in Ontario because it's closest to most of us in Toronto and environs, and in my own community of Sault Ste Marie where we still have a large number of people who are not properly housed, who do not have the kind of housing that speaks to a quality of life that I think the amount of money today floating around—mind you, in fewer and fewer hands—would indicate we could probably, as a community and as a society, afford.

Ontario got into the public housing business a few years ago for very definite and specific reasons, and many of us remember that because we either were ourselves in a situation where we needed to be housed more adequately or we knew of people who needed to be housed more adequately, and that housing either wasn't there or it couldn't be accessed in a way that was affordable. So the government got into the business of making sure that there was adequate and safe and warm housing available that had the space that was necessary to accommodate the needs of families with children and with people in those families who perhaps had specific needs that needed to be looked after because maybe they were challenged in one way or another. So the provincial government, out of a need to respond to a mandate that government over the years has always been called to respond to—and that is, when somebody in the community is in crisis or in need of some assistance because of conditions or situations that are beyond their control they can't deal with themselves, then we gather as a community of people to make sure that those who are at risk most are indeed looked after.

In those times, the private sector was not building the kind of accommodation that these folks could access or could afford to access, and so the government got into that business. I would suggest to you that really not much has changed. As a matter of fact, things may have even got worse. The niche that public housing fills or the need that it responds to is still there and was not then being responded to or filled in any adequate way by the private sector, nor do I suspect will it be if the government of Ontario decides, as it looks like it is doing, to get out of that business now. There will be a lot of people who will be out of a place to live, and if not out of a place to live,

out of a place that speaks to the quality of life that all of us expect we should be able to access in a civilized society.

Last week I picked up the newspaper and read that most of our major corporations are making historically record profits in a society where the people who work for those corporations, because they are making that kind of money, are doing quite well, particularly those at the top echelon. So the premise somehow that government cannot afford to be in the public housing business just, in my mind, does not hold any water, and the premise that the private sector is just revving its engines waiting to get into and to fill the void that's going to be left when government gets out does not hold any water either. So I have personally some real concern about the folks out there who are now receiving less, whether they're the working poor who are now being knocked off the rolls in record high numbers because they don't qualify any more under the new guidelines for any kind of top-up or assistance of any sort or whether they're in fact people on welfare who are now finding that they have less in their pocket than they did before October 1 and are now having to make decisions about some very basic necessities that will force a lot of them into downgrading the kind of accommodation that they've come to enjoy, however limited in some cases, and now will no longer be able to afford.

1000

This is bringing with it some tremendous stress on the public housing system, as well as on the private housing stock that's out there, where landlords who got into the business of renting, thinking that it might be a good way to make a few bucks, put something in place that will be there for them when they retire, are finding now that many of the tenants that they have can no longer afford to pay the rents that are presently in place, even with the rent control legislation that's there now, which we're anticipating will also disappear. They were able to at least keep their head above water, but they're finding more and more with the decisions that are being made by this government that they can no longer stay in the business.

So you have the private sector landlords who are in the business now under stress and making decisions about whether they will in fact stay in the business or not, at a time when the government is looking at getting out of the business of providing affordable, decent housing. You put that together with all of the other complications that decisions being made by this government are having and I have to say, I'm somewhat distressed and concerned as I look at it.

I guess what I want from this government, as I've asked in so many other areas, is some data, some information, something that will make me a little bit more confident that at the end of the day, when you move out of the business, at the end of the day, when you're finished your cutting and slashing of services to people, that there will be available to people housing that is, as I think we all expect it should be, safe and affordable and speaks to a dignity and a quality of life that reflects that we do in fact in Ontario live in a civilized society.

What studies have you done, what information do you have at hand that will give me that confidence and allow

me to go back to my constituents in Sault Ste Marie, in northern Ontario, and, when given an opportunity, in the larger metropolitan areas, to say to them that they don't have to worry, that in fact there will be a stock of good, safe, affordable housing for them next year and the year after and 10 years from now?

Mr Burns: As the minister indicated last week, the work of assessing what alternatives there are to our current arrangements is under way at the moment, and while, in broad terms, the government has laid out the kind of objectives it would like to see met, the options it's got for meeting those goals have not been completely considered.

As you know, in the process used in cabinet, in government, the minister and the cabinet themselves have an opportunity to examine those options and to choose what is necessary or appropriate in terms of discussion or decision-making around those issues. Because these are all questions that are presently under consideration, as the minister indicated last week and as I confirmed a few minutes ago, I don't have a document to hand to you that sort of looks at the cost and structure and operation of any part of the system at the moment or what might happen under alternative A or B. That is the work that's going on presently.

Mr Martin: You don't think it would be appropriate or helpful to the whole process to somehow include those of us who have been elected by large numbers of people across this province in those discussions and to share with us that information if you want us on board in any significant way, if you want us to be helpful as you move in this very aggressive and dramatic way to change some of the very basics of what people expect will be there for them in a society such as the one that we have in Ontario today?

I just find it really difficult to believe that in fact you have done that kind of homework, that you have those numbers, that you do understand and can quantify the impact of these decisions and keep them somehow hidden, secret, under the veil of cabinet confidentiality and not share it with the rest of us. Because every week, when we go home to our constituency offices and as we walk through our communities and talk with the people we represent, we are presented with some very serious questions by people. I have to tell you, frankly, I don't know how to respond. I don't have any answers. What it does is it adds to the level of anxiety and tension that's out there and in my mind takes away from any confidence people might have that in fact life is going to get better in this province so that they might participate in some creative and constructive way in making sure that that is what happens.

I would ask you, I guess, when it is that we might expect to have presented to us some of the facts and figures and numbers that you suggest are being looked over at the moment by those who are involved in this very clandestine and secret cabinet process so that we all might get on board and support this new direction and not be as concerned as we are that what's going to happen in the end is you're going to have a whole lot more people in Ontario who will not be housed either

because there isn't a supply of affordable, decent housing out there or they won't be able to afford it.

Mr Burns: Obviously, I can't give any specific commitment on timing. That's not in my hands, nor in fact is it in the minister's hands. But it would perhaps be appropriate at this point to repeat what the minister has said a number of times about this issue in public forums, and that is that people who live in public housing will have an opportunity to have a dialogue about this before things happen. That undertaking he's given any number of times, and I think it was contained in the remarks he made here last Thursday.

1010

Mr Martin: I did sit for a time last Thursday and listen to the minister and I listened to some of the questioning here this morning, in particular by my colleagues in the Liberal caucus. I can't help but think that this is just another example of this government moving ahead very rapidly, making decisions that are going to affect directly and in major ways the quality of life of ordinary citizens, of poor citizens, in many cases the most vulnerable of our citizens, and then after the fact telling us that we're going to be brought in on some discussion about how all this is going to unfold. It's like closing the gate after the horses are out.

In northern Ontario we've had over the last six months example after example of decisions being made by people in Metro about how we're going to maintain our roads, particularly in the wintertime. The new policy now, Morley, by your government in northern Ontario is that when we have a snowfall, there aren't enough plows, so we close the road down. Actually, it's great for the doughnut and coffee shop business because we're all sitting in doughnut shops. Every weekend you go up north on 69, that little Tim Horton's there just outside of Parry Sound is just loaded with people.

Mr Morley Kells (Etobicoke-Lakeshore): All your buddies are there.

Mr Martin: Yes. Everybody's spending money because the policy of this government, who really don't understand the challenges that real people are facing because they've now locked themselves up in the pink palace—it's become a fortress. You can't even get in any more without breaking the windows—

Mr Kells: Come on, loosen up.

Mr Martin: —to talk to ministers and to the decision-makers. Then we come to these forums where finally we get a chance to speak to the ministers and the officials responsible, and they tell us that it's all cloaked in secrecy. We can't have the information, we can't have the numbers; they're somehow part of the cabinet process. You know, we will be invited in, they will share that with us, but it'll be too late.

In northern Ontario they closed down the only airline, actually an airline that was put in place by your government. Morley, you may have been part of that government. I don't know how long you've been around here, but they tell me you've been here for a while. You put in place a corporation to respond to the very real transportation needs of northern Ontario—and in northern Ontario, if you don't have transportation, you don't have any-

thing—and this government is just systematically, in a very short period of time, taking away all its money.

I don't know how we're going to get around up there. Gilles suggests maybe we all buy Ski-Doos; Al Palladini suggests we all buy cell phones. It's going to be pretty interesting, to say the least.

It's the same approach we're finding as this government and the Ministry of Northern Development and Mines makes decisions about how we will travel in the north that we find in the area of how we will house citizens who live in this province.

I can't help but get a little parochial here. We have some problems in Toronto and Metro, we really do, and when we were government I took the opportunity to go around with some people who work in the area of low-income and poverty groups and visit some of the private sector housing in particular that's out there. I have to tell you, I'm glad that I'm not having to settle for what some people are living in today. It's pretty frightening.

In northern Ontario, though, in places like Sault Ste Marie and, I guess even in a more critical way, smaller communities like Wawa, Chapleau, Hornepayne and the many very small communities important to our resource economy, there are people up there who live in public housing and who expect that through some partnership with government they will continue to be able to access and afford housing that's decent and, when you look at this winter in particular, that's warm and safe.

What are you going to do? What are you going to do in small communities when the private sector determines that it just can't afford to build housing in places like White River and Atikokan because under the new rules it just isn't a viable business proposition to get into building housing of that sort?

Mr Burns: I think it's worth mentioning three things in response to the many questions invented in your last remarks.

First, in the British constitutional tradition, all governments have the right and perhaps even the obligation to carefully consider their circumstances before publicly delivering legislation or white papers or green papers, and there's nothing different about the process being engaged in by this minister than processes engaged in by other governments to look at policy issues before they enter the public discussion phase.

Secondly, with respect to the situation in the private rental market, we had quite a long discussion about that on Thursday, and about the need to look at conditions in that marketplace and at the set of issues that would need addressing if one wanted to ensure that you had a marketplace in which people would be likely to invest in private sector rental housing. That agenda of issues is part of what we are looking at at the moment, and the minister I think indicated very clearly on Thursday that it was an important part of considering what happened next in the private rental market. It wasn't just a matter of thinking about what might succeed the present Rent Control Act. And that assessment applies as much to smaller communities in the province as it does to larger ones.

Mr Bisson: I would say that's a heck of an admission, because what I take it you're saying is that the dismantling of our rent control system is being looked at seriously

by this government, which would result in putting three and a half million people in jeopardy with the cost of rental units for the favour of a few people who might profit in the development sector in the rental market. I just think that's quite an admission.

Just a series of quick questions, because I've only got about eight minutes, apparently, if I'm correct, Chair?

The Vice-Chair: Less.

Mr Bisson: A little bit less than that. Okay.

Is the government still committed to a universal shelter allowance to replace the non-profit and Ontario Housing that you would sell off? Is that still the direction you want to go in?

Mr Burns: I think the minister indicated on Thursday that a shelter allowance was a way, a good way, of dealing with the horizontal inequity, to use the policy term, that exists among—

Mr Bisson: So the answer is yes, you would go to a shelter allowance system, which is—

Mr Burns: The answer is not yes.

Mr Bisson: Oh.

Mr Burns: If you don't mind me answering your question, I will answer it. There is a horizontal inequity that involves a large number of households. Whether the answer to that is a universal portable shelter allowance that completely replaces all the present expenditure that supports households is not something that the minister described as a policy objective on Thursday, and he made it very clear that the options for introducing a shelter allowance support for households, and the options for transforming the social housing system, are things that are being worked on presently and that the cabinet's going to have a chance to look at in the coming months, not the past months.

Mr Bisson: You'll have to pardon me. If you're going to privatize a non-profit or Ontario Housing unit somewhere in the province of Ontario and those tenants no longer are within part of that non-profit, they've got to get the money somewhere to pay the landlord for the difference between the market rent and what they would normally pay under RGI. So how do you do that other than the shelter allowance? Are there other options that you're looking at, other than a shelter allowance?

1020

Mr Burns: Embedded in your remarks are a series of assumptions about what might happen in considering private alternatives to public housing. The characteristics of the model that you just advanced might lead to the situation you describe, but it's hardly the only way one could consider private options for what is now public housing.

Mr Bisson: Listen, it's pretty simple. It's pretty simple.

Mr Burns: Or it—

Mr Bisson: Excuse me. It's pretty simple. You sell off a 100-unit building somewhere that's now run by a non-profit, and it's taken over by a landlord. The landlord's got to pay a lot of money to buy it, and to recoup that investment, he or she has to charge rent. If you pay it strictly at what people are paying on the RGI limit in regard to rent geared to income, it would be economical for them to take it back. So you have to give a shelter

allowance or something to the landlord to make up the difference.

Mr Burns: Once again, you're assuming your own conclusion.

Mr Bisson: You're going to fire-sale the buildings then.

Mr Burns: You're assuming your own conclusions.

Mr Bisson: Well, I'm assuming you're either going to fire-sale it or you're going to give the person a shelter allowance. You got to do one or the other.

The Vice-Chair: Order. We would like to get answers; you have to allow for the answer. I can monitor—

Interjections.

Mr Bisson: All kidding side aside, Chair, it's a serious issue. If you're going to sell off the non-profit, let's say, somewhere in the province of Ontario, presently the rent is being paid. The difference of the market and what is being charged to the tenant is paid through subsidies to the non-profit through various means. If you put it in the private sector, how are you going to make up that difference, that's the question, if you're not going to do it with a shelter allowance?

Mr Burns: As I indicated, the way you frame the question assumes the answer.

Mr Bisson: Well, the way you're framing your answer is also—

Mr Burns: To go to the question—

Interjections.

Mr Burns:—looking at the public housing stock, there are parts of the public housing stock that are now owned by the Ontario Housing Corp that are managed in the private sector today, and they're managed in a way that still maintains the rent-geared-to-income system.

Mr Bisson: The landlord doesn't do that for free.

Mr Burns: No. In fact, he does it for—at least the ones that operate in MTHA—less money than it costs to directly operate the units. There are more ways to consider private sector involvement or privatization, if you want to use that phrase, within the public housing sector than sell to someone in the private sector with no conditions attached, for example, no condition that you maintain participation in the rent-geared-to-income system. That's the assumption you made, and of course if you make that assumption then you will reach your own conclusion. But there are lots of other ways to consider doing this.

Let's consider another: Ontario Housing Corp as you know, created in 1964, largely built or acquired its stock between 1966 and 1976, mostly by 1972. But beginning in the mid-1970s and running right through to last year, Ontario Housing Corp has been selling parts of its stock, close to 2,000 dwellings over that period of time, including a large number of the scattered units in northern Ontario, and just last year 80 units in Ear Falls.

In those circumstances, we actually had a fair number of tenant households who were able to purchase the units, given the market conditions that they were embedded in and had the characteristics of the household. So there are other parts of the stock where the circumstances of the tenants might lead you to another option.

If you look at the options followed by Alberta in considering public housing, what they essentially did was

break up the monolithic provincial crown corporation-administrator approach and replace it with—

Mr Bisson: A monolithic private sector approach.

Mr Burns: No, they didn't. They replaced it with boards for parts of the province and then charged them with producing cost-effective administration. In many cases that has meant active private sector participation in the delivery of the service, but they didn't actually sell the asset nor did they abandon the program design that supported poor individuals.

Mr Bisson: Just for clarification, when you're saying they supported the services, you're talking such as cleaning, reparations of buildings—that kind of stuff is where the private sector came in, as in the Alberta model?

Mr Burns: Property management, program administration, maintenance, all those kinds of activities. All I'm suggesting to you is, when you think of answering the question, how might you privatize or introduce much more private sector operation within the public housing framework, there are many ways to consider doing that beyond outright sale with no future obligation to participate in the program.

The Vice-Chair: Can we move to a 10-minute break, I was thinking? It's at the whim of the committee, but I would suggest a 10-minute break at this time.

Mr Curling: Do you think by that time, Mr Chair, that the minister may be here?

The Vice-Chair: I was thinking along those lines perhaps.

Mr Curling: Because every time he's away it cuts into the time we will have him for interview.

Mr Bisson: No, because it's the government members who have questions—

Mr Preston: No objections to a 10-minute break.

The Vice-Chair: A 10-minute break.

The committee recessed from 1026 to 1039.

The Vice-Chair: We will now resume our deliberations. I believe it's the Conservative Party that has the floor. You have 30 minutes and we will commence from this point on.

I'd like to note the presence of the minister. We missed you before.

Hon Al Leach (Minister of Municipal Affairs and Housing): I was with your colleagues next door.

Mrs Ross: Minister, nice to see you again. I'm sure the opposition is happy to see you this afternoon.

The Provincial Auditor's report pointed out several problems with respect to non-profit housing, in the administration and that sort of thing. One of the things that was mentioned was that project costs were going up despite large declines in land prices and construction costs; also the cost per unit to develop. What would you say was the effect of the province setting a maximum cost per unit that developers could charge?

Hon Mr Leach: What it did was take away any incentive for a developer of a co-op or a non-profit to be efficient. We said we would pay I think up to \$108,000 a unit, so the goal, rather than to be efficient and look at costs, then was, "Let's see what I have to do to spend this \$108,000." It became a disincentive rather than an incentive.

Mrs Ross: Would you say that, overall, \$108,000 per unit was the amount that was paid out?

Hon Mr Leach: Sometimes more. Sometimes there would be overruns on projects that people would come back after the fact and try to get payments on. But rather than try and build any efficiencies into the construction of a co-op, it just became a matter of, "I've only spent \$103,000; well then, I guess I'll put in gold-plated taps to get the price up to \$108,000," particularly when you had consultants—

Mr Bisson: Where are all those gold-plated taps?

Hon Mr Leach: You've probably seen lots of them over in my riding, where you spent a lot of time.

Mrs Ross: Would there have been any units that would have been built at substantially less cost than \$108,000 per unit?

Hon Mr Leach: There were; there isn't any doubt about it. But when you had consultants that were being paid on a percentage of the total cost of the project, obviously there was no incentive to keep costs down. The consultants that were involved, the developers that were involved, and understandably so, are in business to make a profit. One of the biggest misnomers I've ever heard is "non-profit housing." I don't know anybody who doesn't make substantial profit from non-profit housing.

Mrs Ross: I understand Mr Kells has some questions, so I'll pass over to him.

Mr Kells: Mr Minister, I enjoyed listening to your deputy because I recall well—

Hon Mr Leach: Does that mean you're not going to enjoy listening to me?

Mr Kells: I recall well when he arrived as the deputy. I went to a breakfast meeting in my role as president of the Urban Development Institute, and Mr Burns talked about housing and his ministry. He listed five major points that were going to be the thrust of the ministry, and ever after that I sort of referred to the ministry as the Ministry of Public Housing. I'm wondering, just in general terms, are we to expect that the thrust of the ministry is still one of public housing only or is there a more broad approach to providing housing or relating to the housing industry here in the province?

Hon Mr Leach: I know you're aware that it's our intent to try and divest ourselves of our housing portfolio over the fullness of time. I can say in defence of all of the staff at the Ministry of Municipal Affairs and Housing that, as an example, when we made the decision to stop subsidizing co-op housing back in July, that was a 180-degree turn from where government was going prior to the election. The staff, to their credit, took those policies, reversed them and implemented the new policy within a matter of weeks. Without a lot of dedication, hard work and long hours, that couldn't have happened, so I think they are supportive. I shouldn't say they're supportive of all government policies or any government's policies, for that matter, but as professional public servants they carry out the mandate of the government of the day, and they've done that well.

Mr Kells: It wasn't my intent to imply anything different. I'm just refreshing my memory and that of the deputy. I understand fully the role of the public servant. Actually, in my previous incarnation, as much as I

represented my industry, which was in many cases a polarization from where the government stood, we always had great respect for the people in both your ministries; in those days they were separate. In both cases—the bill next door that you're discussing—I understand that your staff had to do a considerable amount of review. Although I'm not over on that committee, I feel as an ex-spokesman for the industry that that is a tremendous improvement, probably not all the industry wanted, but nevertheless a considerable look at another bill. Anyway, certainly not intending to tackle the work of the civil service in a critical way.

I just want to play with some numbers again. Five years ago we looked at these numbers with a very critical eye, and now we're that the government and we've been reminded many times that we can't keep hiding in the past 10 or the past five years, that we must assume our responsibilities.

I looked at your opening remarks. I see that the unit average subsidy is \$10,300 annually, and in my little figures here that's about \$860 a month. If I recall, the last time we had those figures, maybe two years ago, the figure was up as high as \$950. That is a bit of a drop. Is that because some of the units didn't get built? I wonder what happened. It's a drop in the right direction, but it's still considerable when you think that annual subsidy, averaging across the province, is \$860 a month.

Mr Burns: The difference may be because the number that was included in the minister's opening remarks covers the whole universe of projects developed since the global agreement in 1986. If you were looking at ones that were opening in a particular year, particularly the ones that opened in 1992-93-94, you've got a higher number because they were built in a higher-cost environment and in a higher-interest-rate environment. It may simply be that the numbers you recall, because you were looking at a slice rather than at the larger thing—and there are certainly components of that larger terrain that are higher costs than the number that's included in the minister's remarks, as the minister indicated a minute ago.

1050

Mr Kells: Thank you for that. To continue, we are still at the roughly—what was it?—132,000 units. We still have an average of \$860 a month, which I think even the proponents of non-profit or public housing would agree is a considerable subsidy. In the past, and I think it's still valid, we've used roughly \$1 billion as the annual subsidy for the units involved. In most cases, the mortgage is over a 35-year period.

The defenders of non-profit particularly have always talked in terms of some mythical point in time where there is, as they call it, the crossover. Somehow in this commitment that we had as a government and a commitment of public dollars there's supposed to be some alleviation of these costs, and I don't know whether we're talking year 22 or year 23 of the mortgage. I have always challenged that. I've never had, in my estimation, a valid explanation of whether the public is ever to be relieved of this \$1-billion annual charge. I was wondering if you could comment on that or give me the simple explanation, if possible.

Mr Burns: The simple explanation is that the numbers we're talking about at the moment are characteristic of the early years of projects. Most of our projects are relatively new. The view is that over time we will experience enough inflation in rents and that the portion of the operating costs that have to go to debt servicing will drop. That's forecasting a future that's a bit like the past because public housing built in the 1960s is carrying a very low debt load. If that happens, you eventually reach a point where the subsidies that are required to operate the project within the program are only the rent-geared-to-income subsidies.

Do we have projects that have reached that crossover? Yes. Do we think others will reach that crossover? Yes. Do we think all the projects in the program will reach that crossover within 35 years? No. We have modelled the financial performance of this whole system over the whole period of time, the 20 years, several times and whether the whole system reaches that crossover really does depend on the assumptions you make about inflation.

Mr Kells: As you know, maybe thanks to John Crow or not, inflation hasn't been a big factor. House appreciation certainly hasn't been a factor. I'd be interested to see your model. I'd be interested to know what percentage might eventually enjoy a crossover. I found that the arguments made by the non-profit people, who are operating on subsidies from the government to make these assumptions, somewhat deceiving and unprovable and, with all due respect, I still feel that's the situation.

But maybe let's look at it from a global point of view. Say you were looking at \$1 billion a year and just round it off for the next 30 years. That adds up to \$30 billion in 1996 dollars. Do you have any model that says that couldn't be true, that maybe with all these crossovers we might be looking at what figure? I don't suspect you'd have anything precise, but has anybody ever taken into consideration that the crossovers don't work?

The point I'm trying to make, Minister and Deputy, is that this is a huge commitment in dollars to the public that has yet to even get into the taxpaying brackets when you're talking 20 years, 30 years. There are people out there, young people trying to get educated, trying to work up into society, who are picking up a tab down the road for, if you will, the lucky 132,000 units that are in existence, the people living in those units. In my mind, a great number of the people in non-profit housing units have won a lottery. They've won the right to be subsidized over a long period of time.

I don't know, in the fullness of time, how fair that is to society across the board. I was just wondering if there are any comments on what our total commitment might be.

Hon Mr Leach: You're absolutely right. You're certainly not going to get any argument out of me. I'll give you a good example: the Flying Toad Co-op on the Toronto Islands.

Mr Kells: I was going to get to that. I like it as an example. Go ahead.

Hon Mr Leach: Eighty units, by lottery, to select individuals. If our subsidy average remained at what it is today, in excess of \$10,000 a unit, the taxpayers would

have subsidized that complex \$28 million over the life of the mortgage. You're right. It has been described as a sweetheart deal and I can't find any other better word to describe it, and that applies to most of the co-op undertakings we've had in Ontario.

By the way, I've been very forceful in saying that I don't have anything against co-op construction. I think it's a great way to build; I just don't think it should be done on the backs of the taxpayers. Of the number of projects we have curtailed or withdrawn subsidy from, we're encouraging the sponsors of those units to find other ways and means of financing the projects. If they can finance it, then what I would prefer to do is to develop a shelter subsidy program that would subsidize the individual who needs help rather than subsidize the bricks and mortar for somebody who doesn't need help.

Mr Kells: Maybe let's go back to bricks and mortar. I have my concerns about this crossover and I have my concerns, and we'll talk a bit about the package inside, about who's in the co-op, but I never could see where maintenance or land values going the other way entered into the equation. We have this mortgage which the taxpayer is on the hook for, and there is no consideration that if for some reason in certain parts of Metro that I'm familiar with you might have a plunge in land values, and we certainly have seen this in the last five years for sure, that the buildings in question are even worth the mortgage on them, and 20 years down the road—it's always been my understanding that 20 years is a pretty good lifespan for an apartment.

As a matter of fact, Sewell has a whole bunch of documentation that says all our apartments in Metro are going to fall apart and there is billions to be spent on fixing them up, but let's just get back to these non-profits. In this sort of mortgage, in case there are huge maintenance costs or a huge drop in values, where are we ever going to see crossovers or any appreciation?

Mr Burns: As I said, the long-term model assumes some degree of inflation. If the very substantial reduction in values in the real estate market we've experienced in the last few years is sustained, then that would have an implication for the timing or even the possibility of having the kind of crossover you and I were just discussing.

With respect to major investments in the building, up until three years ago, a component of the program funding was directed to a long-term maintenance reserve which was intended to capture significant capital needs in the 35-year period, and at the end of the 35 years, there's obviously an opportunity to do some refinancing if there's a need to invest a significant amount of money in a building at that point.

Between wherever the project might be in its life history and the 35 years, the question of how you'd finance a major capital need, should it arise, is one we have been discussing and continue to discuss, because it's not obvious exactly what method you would use. If there is significant equity in a building, you may be able to do it through financing. Even though we've got 35-year mortgages, most of them renew in three-, four- or five-year terms, so there are windows where some refinancing can take place. There is the base of money available in

the reserve system. The problem of financing major capital investment during the 35 years is not fully resolved, and it's not going to be, I don't think, for some time.

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Mr Kells: What follows from that of course is, if it should take place across the board, then the 35 years and the billion annually could be raised substantially if very many buildings had come into that situation.

In the same vein, my understanding is that it was a mixture of subsidized, and there are market rents in there, and we know that in a number of buildings the market rents weren't taken up. So that would be certainly a shortfall, whether it be on a monthly basis or an annual basis. Who pays for the shortfall? When we made inquiries a couple of years ago, it was that the Ministry of Housing paid for the shortfall. Well, that again puts another cost on the taxpayer, I'm sure, particularly with the current rental situation out there, that exists today. So who is picking up the shortfalls on a building-by-building basis?

Mr Burns: Like all people who operate in this particular industry, there is some provision for vacancy loss in every operating budget, and that would be included in any approval that we gave. Should you experience a greater operating loss because of vacancy than contemplated by the outlook budget, historically that likely would have been covered by the ministry, but only after a discussion. Let's say it turned into an operating loss. You don't automatically get your operating loss covered. You may have to, in effect, repay it over a period of time after a discussion with the ministry. That's one side of it. On the other side, in a number of cases the ministry agreed to let a sponsor raise the number of units that were operated on a rent-geared-to-income basis.

The system-wide vacancy problem that arose in 1991-92, frankly, as a feature of the general recession, has largely receded as vacancy rates have tightened in most urban communities and employment levels have risen, at least west of Yonge Street. So our system is not experiencing as much vacancy loss as it did three years ago. In an extreme version, it might threaten the stability of a sponsor group, and then of course we're exposed to the risks that might arise from dealing with that or taking someone over, but that's how we manage them at the moment.

Mr Kells: But the point is, if it should happen again, whether there's a cyclical process, somehow the public is still the one on the hook. There's no doubt about that.

I want to be just specific for a bit. I don't like to talk about my own riding that often, but I have my share of non-profits. I have one in particular that has a number of management problems, and I must say that the ministry is doing a good job every time I call. It's a rhetorical question and I don't expect you to answer it, but it makes you wonder at what point they get their own house in order.

This has to do with artists. It's a co-op involving people who have proven that they have made their living, or not made their living, in a creative way, and their feeling, as they enunciate it, is that subsidized housing is something they deserve in relation to what they put into

society. I don't really believe I should argue about that, but this one seems to have a flood of problems. The commercial part downstairs never gets rented, never gets finished, and it goes on and on. I, like other MPPs, wonder at what point some of these problems will go away. I don't expect you to answer that, but it is a continuing irritant.

Mr Burns: I should say that we do have an established procedure for problems that arise in operation. The regional office is supposed to follow a process. If in the first rounds a dialogue doesn't work, we can do what's called a compliance review, where we go in and assess the degree to which they're operating in conformity with the program rules. At the next level they can get a full audit assessment and they have to meet the terms of the audit. After that, or perhaps more quickly if the problems are really profound, we do have the capacity to introduce a receiver or, in extreme cases, to actually take the ownership of the project away from the sponsor group. Those aren't common, but we have done both of those things.

So as an individual member of the Legislature, if you find our ministry working on the problems but they've remained substantial, then what you should be seeing is an upgrade of our intervention from dialogue to compliance to audit to, in extreme cases, actually removing the sponsor.

Mr Kells: Actually, I find the ministry trying hard. I guess we'll just leave it at that.

Similarly, during the election—just so I can understand here—every time the argument was made by the non-profit community that there was a huge lineup of people wanting non-profit housing, in need of non-profit housing. In my riding there were three rundown buildings. They were taken over to be made into a non-profit co-op, and the people who lived in there were offered the opportunity to take up those units. I must say, most of them didn't understand and they still don't understand what that's about.

With two weeks to go in the election, it was moved through the Ministry of Housing, and with all due respect, I don't know how three units on floodplain that are rundown—there was no demand, particularly, from within, and there was a great deal of opposition from within—how this ever happened. There still is a huge amount of confusion there. I never understood how they could apply this huge waiting list of thousands to the few units that were left in a specific community in a specific place. In other words, who is lucky enough to have gained access to those units?

I did complain. I know you have cut many non-profits. I made my point that this one should be reviewed. But because one of the banks or one of the trust companies got out of there, thanks to the former policy—they're happy to get out of there—three old units that they absorbed by default, on floodplain land, now we again are in there for 35 years. It's almost like a lottery: Who's going to enjoy the benefits of that? I just find that kind of appalling, particularly the timing. The timing makes me extremely suspicious particularly, if I may be political for a bit, when during the election it was a major issue

and when the election was over a number of publications indicated that was a victory for those people over the government of the day. I don't know if I expect an answer on that either.

Mr Curling: I'd like an answer.

Mr Kells: I can get by without your answer, Alvin.

The Vice-Chair: We need a three-minute answer.

Mr Burns: For 20 seconds: As I indicated on Thursday, through the election period we continued to work with any sponsor who had entered the program before then, and we did that right up until election day itself. So, in this particular case, they went along through the decision points that were required by the program.

The question of whether you should have, as a component to a non-profit program, what's called acquisition rehabilitation with existing tenants has been fiercely debated through the whole history of the program; sometimes people did, sometimes they didn't. It, no question, has the feature that you just described, which is that there aren't very many units available to people who are on waiting lists. As the minister indicated on Thursday, having shelter subsidies through a supply system is inevitably inequitable because people outside the system don't get any help, but if you're inside the system, you do.

The Vice-Chair: You have one minute.

Mr Kells: We're getting another chance then. Leading the Islands, I'm pleased that the ministry has made the moves it has. I would like to have presented here to the committee some breakdown on that \$426,000 in legal and consulting fees that the Flying Toad Co-op spent. I want to know what the future of that trust is. I guess it's been wound up. I just don't understand how we, the public, end up picking this tab up. I know it was a bill that went through the Legislature. I know it wasn't debated. They tell me it went through late one evening. I'd like to know how that came to be. I'm getting calls already over those 20 lots. They're wondering how they apply to be one of the lucky 20 to get a lot.

The Vice-Chair: I don't think there's time for an answer, so I will move on to Mr Cleary.

1110

Mr John C. Cleary (Cornwall): Minister, I just wondered if you could help me out, help me to understand. I have a letter in front of me; the people involved have been trying desperately to get an answer for some time and there's nothing coming forward. I'll read the letter to you. It's addressed to myself, but you have had copies of similar letters in your office. It's concerning the Nativite project in Cornwall. It's addressed to myself:

"Further to our previous meetings and conversations, we would like to voice our continued displeasure with the government's decision to cancel the abovenoted projects and more recently with the lack of response from the Ministry of Housing.

"As you may not be aware, two progress invoices" from the project" for...work undertaken up to June 20, 1995, were forwarded to Logement Nativite on July 20, 1995. At this time, copies of these progress invoices were also forwarded to Mr. Mac MacDonald, of the Ministry of Housing.

"Given the continuing nature of this matter, the original progress costs, additional costs and accrued interest

will soon total three quarters of a million dollars. We are sure that you can understand that this represents a substantial amount of money to our company.

"In addition to the outstanding costs, the property currently possesses additional problems. During the development of the plans, we entered into a number of agreements with the city of Cornwall and adjacent land holders based on the specific requirements of these projects. These agreements were, for the most part, for the betterment of the city and others, and based solely on our proposed development plans. Most of these agreements and amendments currently make site A very difficult to develop for alternative purposes.

"It is with some regret that we find ourselves looking to the courts for remedies. We would much prefer to negotiate a satisfactory settlement with the Ministry of Housing.

"We look forward to your prompt response to this letter. We remind the government that delays only serve to escalate the outstanding costs of these projects.

"Thank you for your assistance."

"Sincerely yours,

"Menard Bros. Limited

"Gaetan Menard."

They've been into our office many times and they're not getting any answers from you people.

Hon Mr Leach: As I mentioned last Thursday, one of the problems we're having with the windup of the co-op program is that our agreements are with the sponsor groups and not necessarily with the contractors or developers. I'm not sure whether the staff have the details on that specific project with us here; if not, I'll get it for you.

Our problem is, if the sponsor group, for whatever reasons—whether they're part of the class action suit against the province on the withdrawal from the co-op program—if they're not cooperating in some way, then it makes it extremely difficult for us to deal with the contractors that are involved. I agree with you 100% that there are certain contractors, architects or whatever that are being penalized through no fault of their own because we can't pay them. We have to put the payment through the sponsor group that we have a contract with and then the sponsor group reimburses the contractor for the costs they've incurred.

We're as anxious as the individuals involved here to get this cleaned up. I'll make a commitment to you to respond to this right away, if that's the circumstance. Do we have anything specific?

Mr Chiesa: We don't have a specific response but we'll get that. The one point we want to add as well is that we wrote all of those groups that did not submit on behalf of third parties and said, "If you don't submit within a certain date"—I think that's expired—"we'll deal directly with the developer-builder or other consultants now." That will facilitate those kinds of examples that were just raised here. But we will get the details of that project for you.

Mr Cleary: Just to add a little bit, the sponsor group has been into my office too, they've also met with members of your party, elected officials, and there's nothing happening.

Hon Mr Leach: They've met with ministry staff, are you indicating?

Mr Cleary: On that? I don't know.

Mr Chiesa: We'll get back to you with the information. On the latest sheets we had they had not even submitted the required information. But we will get back to you on that specific project.

Hon Mr Leach: We're as anxious as anyone to get this wrapped up. There's no advantage to anyone in having this proceed any longer than it absolutely has to, so we'll make a commitment to get back to you personally with the details of that particular project.

Mr Cleary: Just so that we understand each other, they met with cabinet ministers of your party.

Hon Mr Leach: Again, I am at a loss to understand why they would not have submitted the necessary information for us to proceed with rectifying that.

Mr Cleary: Does MacDonald not have that?

Hon Mr Leach: My understanding from staff is that the last indication that we have is that the information that was required from the sponsor group had not been submitted.

Mr Chiesa: We will get the details and report back.

Hon Mr Leach: We'll straighten it out with the sponsor group. If they have the necessary documentation, I can assure you that we're anxious to clean it up. I don't like, nor does anyone like, to see a contractor who carried out his work in good faith be penalized in any way. So we'll get back to you as quick as we can.

Mr Cleary: Thank you. I just want to touch on a few other items that are more specifically in our part of eastern Ontario. We have many in our community who have been hard hit and many who are not properly housed. We have long waiting lists and it's my understanding that the government will not get involved in any more housing units.

Hon Mr Leach: That's one of the problems that we face, is the long waiting list. The social housing program has become a luck-of-the-draw type of program. If you're one of the fortunate people who can get into a subsidized unit you're okay, but there are tens of thousands of people who have been on waiting lists for many, many years, which I think is a strong indication of how and why the system is not working. That's why we would prefer to develop a shelter allowance program so that we can provide assistance for those individuals who have been on waiting lists for years and years. Some of them are paying in excess of 50% of their income for shelter and are unable to get any support whatsoever, and I personally think that's unfair and the system should be changed.

Mr Cleary: In other words, it would be your plan to subsidize units in private—

Hon Mr Leach: No, our proposal is to provide a shelter subsidy to individuals who need support rather than to units. If you have an individual in Cornwall, for example, we would develop a shelter allowance policy, and if they wanted to move from Cornwall to Brockville, that shelter allowance would be portable so that they could change their location without having to go from a waiting list in Cornwall to a waiting list in Brockville or wherever.

Mr Cleary: I'll tell you another thing. There are lots of good units available that many all over Ontario will not rent to certain individuals. Did you ever have any consultation with the Minister of Community and Social Services? I was going to ask him last week about that, but everything that he asked him he was going to consult on, so I thought I'd wait for this opportunity. Did you have any intention, your government, of paying direct to the apartment or the property owner instead of giving it to the social assistance recipients?

Hon Mr Leach: We would far prefer to provide a subsidy to an individual and allow them to choose where they want to live. You know, in many instances it's absolutely no business of the landlord whatsoever whether you're getting assistance from the government. If I provide any individual with an allowance and they can go and select where they want to live, I think that's their business, not the landlord's.

Mr Cleary: I'm not very happy with that answer, because I think it could solve a lot of our problems to get people into units if the government or someone would pay the rent directly.

Hon Mr Leach: Do I understand correctly that you would recommend that we provide subsidies to landlords rather than to individuals?

Mr Cleary: I would say to units for individuals. I know it's the individual that's got to be done, but in many cases, in many parts of Ontario, the landlord doesn't get it and you've got the people rotating from one unit to another.

1120

Hon Mr Leach: That is done now, actually, to some degree, where there are payments made to landlords that pay the difference between rent geared to income and the market rent in many instances around Ontario.

Mr Cleary: I would think that in our part of Ontario, and I know others because I have letters from all over, if a landlord was sure that he was going to get the rent, he would be prepared to rent it at a lower rate, if he was sure he was going to get it, because right now a landlord can lose a month or two of rent, the way the system works.

Hon Mr Leach: Yes, I understand.

Mr Michael A. Brown (Algoma-Manitoulin): I'm interested also in this issue, the government's approach to subsidizing people rather than units. I think if we're going to get our heads around that, we're going to have to understand a little bit about what the government's intending here. The first thing I guess we need to know is, how many units, in the minister's view, need to be available for rental in the province of Ontario, versus how many do we have? In other words, what's your target? If you're telling me that there are thousands of people out there unable to get affordable housing, is the problem that we need more units, developed by the private sector or whomever? What exactly is the problem and what is your target if there is a difference in the number of units available and the number of units we as a province need to have available?

Hon Mr Leach: There is a shortage in units available, there isn't any doubt about that. In the city of Toronto the vacancy rate is almost zero. It's about 0.8% and fall-

ing rapidly. Because of legislation that we have in place, a number of pieces of legislation—and I don't think any one piece can lay claim to, "This is the reason why new units aren't being built." It's a combination of many things: rent control, the Landlord and Tenant Act, and a whole number of issues—property taxes. Because of all of these varying factors that inhibit the construction of new rentals, there hasn't been any built in decades—20 years.

Mr Michael Brown: I understand that. I understand that there are a lot of things wrong, in your view, and that therefore we need more units, that we've got an unacceptably low vacancy rate. I'm asking, how many more do we need and how many more will be produced by the government's economic policy?

Mr Burns: The broad state of the housing market's tracked by Canada Mortgage and Housing Corp and the Ontario housing market has underperformed demographic growth for several years. If you take that as a measure, a housing market that outperformed demographic growth for a few years some time in the future is a goal that the federal government and ourselves should have. But the underperformance is not just related to specific government policies about rental housing. It's obviously closely related to the state of the economy and to the preparedness of individual households to purchase—that's on one side—or form separate renter households, on the other side.

Mr Michael Brown: My question's pretty simple. I'm saying there is a difference between what we have now and what we need in order to house Ontarians the way we think or the government feels Ontarians should be housed. There must be a goal you're trying to achieve here. Aren't we trying to achieve, I think all of us in this room, seeing that Ontarians have the ability to rent or to own, or whatever, acceptable accommodation? Therefore, we need so many new units if we don't have enough. What is your goal? How many units will this government produce—I don't mean build itself, but I mean have the economy produce—by the end of its term? Don't you have any idea?

Mr Burns: Successive federal and provincial governments have not set goals, I think, in the language that you mean it, for private sector production in this country for a very long time. There have been forecasts of how much activity we might see in a marketplace and there have been measures of effectiveness of the marketplace, looking at prices and vacancy rates, and certainly we've put a lot of effort into looking at conditions in the marketplace, because the government has an objective of attracting investment to the rental housing sector. The minister spent some long time on Thursday talking about the key components of that. But that's not for the purpose of achieving 18,000 or 2,000 or 27,000, but rather for the purpose of ensuring you've got a well-functioning marketplace.

Mr Michael Brown: I would suggest to you a marketplace in Metro Toronto with a 0.8% vacancy rate is not a market-performing situation. Therefore, how many more do we need to produce to make it a well-performing market, if that's what we—

Mr Burns: There is no federal government goal in the sense that you meant it either.

Hon Mr Leach: The other point is that there's absolutely no incentive for anybody in the private sector to get into the apartment business, to provide any—

Mr Michael Brown: You're going to give it to them, Mr Leach. So if you're going to do all these things to give the private sector the opportunity to produce all these units, the question I'm asking is, how many more are they going to produce? I don't think it's all that tough. It makes it rather difficult for the opposition or anyone else in Ontario to judge the government's performance in the housing area when we don't even know what the government intends to do. What's the outcome? This government likes to talk about outcomes. Is the outcome in Toronto—maybe we can't use precise numbers. Is it a vacancy rate of 4%, a vacancy rate of 3%, a vacancy rate of 5%? Where does the government want to get to on this? I just want to know, what outcome is your government intending to get from all your policy—

Hon Mr Leach: First of all, what we have to deal with in the short term is establishing ways and means of enticing people back into the business at all. All that's happened over the last number of years is that there have been programs and policies put in to inhibit anybody getting into the—

Interjection.

Hon Mr Leach: Do you want me to wait until the NDP give you your next question?

Mr Bisson: I'm giving him your answer.

Mr Michael Brown: Mr Bisson was informing me that you said 20,000 units was the number of units.

Hon Mr Leach: No, the number comes from the industry, which has indicated that there is the capability of putting 20,000 units in Metropolitan Toronto under construction in a short time if conditions were there to entice them to get into the building business.

Mr Michael Brown: I'm presuming you have your policy set forward, more or less, in terms of what you think needs to happen for the private sector to take up the slack and to build Ontario and all that kind of good stuff. What I'm saying over here is, that's well and good from your perspective. How am I supposed to know whether you're successful? I want some way of knowing. It's a good theory; these guys had a good theory too, and perhaps we had a wonderful theory also, but really, you are judged by what the outcome is of the policy.

Hon Mr Leach: But I'm sure you would agree that the first goal that has to be achieved is attracting the industry back into the business at all. You can have all of the lofty goals that you want. I mean, you can set goals and criteria and numbers and so forth, but if nobody is going to build it, then it's a futile exercise. I'm sure you would agree with that. So the first thing—

Mr Michael Brown: That's precisely what I'm trying to say.

Hon Mr Leach: You can establish a number that says, "We want to generate the construction of 50,000 units a year and we want a vacancy rate of 5% to give people lots of opportunities," but if there is absolutely no incentive whatsoever for anybody to go out and build a unit, then all it is is useless pipe dreams. The first thing

that has to be addressed is get new stock back under construction.

Mr Michael Brown: No problem with that; we agree. But what if your particular program doesn't produce the incentives and there aren't units built, or not enough units built?

Hon Mr Leach: What we do know is that under the existing laws of the land there is no incentive and there will not be any built. We've been told time and time again by people in the development business, by people who provide private rental stock that they have no interest in building apartments under the current laws of the land. If they are not changed, you will not see any new buildings.

1130

Mr Michael Brown: It is obvious that what you say is true. For 15 years there has not been enough private sector rental—

Hon Mr Leach: I'm sure that you will agree that what we have out there is deteriorating over time. What's happened with the regulations that we have in place now, a landlord cannot get any reasonable type of return on his investment, so responsible landlords are bailing out of the business. They're being taken over by less scrupulous landlords who cut corners, cut down on maintenance and make the buildings to a point where they're just falling apart. That has to be addressed as well.

Mr Bisson: That's an overexaggeration.

Hon Mr Leach: I can show you some. Come with me, Gilles. We'll go over to Wellesley and Parliament and you'll see for yourself.

Mr Michael Brown: I've been around these housing debates for quite a while, so I understand that. Let's go talk about your shelter subsidy program. Who qualifies for that? Who will qualify? Will everyone whose income is at such a level that they are paying more than 30% of their income for rent qualify for that program?

Hon Mr Leach: It will be basically a rent-geared-to-income type of policy, but as was pointed out earlier this morning and as I pointed out on Thursday, the shelter allowance program is still under development at the staff level. When we get the preliminary numbers out on that, I would like to take it out for consultation.

Mr Michael Brown: Is the intention, though, that everyone below a certain level of income versus the amount of rent they have to pay qualify? In other words, it's an income-based, or geared-to-income, if you will—

Hon Mr Leach: It could be similar to the process that you have now on how you qualify for a rent-geared-to-income unit, except that rather than providing the subsidy to the unit or giving it to the landlord, we would give it to the individuals and let the individuals select where they want to live, so that you don't have to go over and live at the corner of Gerrard—

Mr Michael Brown: Does the ministry then know how many people would, in all probability, fit into that category?

Hon Mr Leach: There's probably a broad number available, because we know the number of people who are in subsidized units now, we know the number of people who are on waiting lists and who have been on waiting lists for years and years.

Mr Michael Brown: I would suggest the count is broader than that, Minister.

Hon Mr Leach: The combination of those two numbers is going to be your initial—

Mr Michael Brown: I think it would be significantly more.

Hon Mr Leach: It could be, but again, you have to agree that you've got those people, those poor individuals who have been out there for years and years paying 50% of their income for shelter and getting absolutely no help and who will never get any help under the existing policies that are there now.

Mr Michael Brown: I agree. This is supposed to be estimates, and I know that they're not for next year, but really we're in a situation where we're asking about next year. What would you anticipate the cost of a shelter subsidy program to be across Ontario in that event?

Hon Mr Leach: We haven't worked out that number yet. As I think we indicated earlier this morning, they're working on various options for shelter allowance programs. They're being developed now. I don't have a final number. I know we're spending \$1 billion a year on what we're doing now.

Mr Michael Brown: Would it be the intention of the ministry to actually be administering this program, or would it then become a program of, say, Mr Tsubouchi in Comsoc? Because what we really have here, I would suggest to you, is just a straight income maintenance program.

Hon Mr Leach: Again, that's another one of the options that is being explored because, as you know, this government wants to go to as many one-window-shopping programs as we possibly can. If there are social assistance pools have to be made, then they should perhaps be under one ministry rather than under three or four. That's one of the aspects that we're looking at right now: Where should these programs reside? Should Health have a program, should Housing have a program, should Community and Social Services have a program, or should there be some attempt to try to rationalize all of them so that we can have the best benefit possible for the individuals who need help?

Mr Michael Brown: I'm just wondering if there's enough money in this province to support this kind of program at a level that would even compare to the non-profit subsidization we're at now. But I don't know, because I don't have any numbers, and you don't know because you don't.

Hon Mr Leach: As I indicated to you, we know what the initial blush of numbers is, the people who are in—

Mr Michael Brown: Could you share that with us then?

Hon Mr Leach: I think they're readily available, in a broad outlook, the number of people who are on waiting lists.

Mr Michael Brown: Could we have the ministry share those with us?

Hon Mr Leach: I don't know. Has anybody got those off the top of your—

Mr Michael Brown: It would be fine for them to file them with us.

Mr Burns: We could prepare a memorandum that gives a summary of the numbers the minister's referring to.

Ms Anne Beaumont: I don't have them with me. We can compile something and make it available to the caucuses.

Mr Curling: While you're at it, I just wonder if you can anticipate those who are out there who have not applied but may need some subsidy too.

Hon Mr Leach: One of the reasons that they haven't applied is because they know there is absolutely no hope under the current policies. Under the existing programs that exist today, there is absolutely no hope for them whatsoever. That has to change. I think we would all agree that there are individuals in society right now who are being penalized just because they haven't been fortunate enough to be able to grab the brass ring on the way by.

Mr Michael Brown: I'm sure somebody in government has—well, your ministry has, in particular, the numbers, but it would not be difficult, I suspect, to get from StatsCan the number of Ontario families that are spending more than 30%—I don't know that 30% is the right number—of their income on affordable housing. Do we have those kinds of numbers?

Hon Mr Leach: They're basic demographic numbers that are available.

Mr Michael Brown: Yes, I understand that.

Hon Mr Leach: I think we'll be able to put something into memorandum form and distribute it to the members of the committee. Staff might want to add something.

Ms Beaumont: I could give you one answer on that right now, dealing just with renters, because I assume it's renters that you're talking about.

Mr Michael Brown: Not necessarily, but we could start with renters.

Ms Beaumont: I don't have the information at hand that deals with people in an ownership situation, and of course many of them would be paying more than 30% of their income on their housing costs, but some of that is paying off principal on the house. For renters, approximately one third of renters in the private sector in Ontario are receiving government subsidy of one form or another. Of the remaining two thirds of the population in private rental, in 1994, according to Stats Canada, 39.3% of them spent more than 30% of their income on rent.

Mr Michael Brown: So 40% of—

Ms Beaumont: It's 40% of the two thirds. One third is subsidized, in one form or another, by government. Of the remaining two thirds, approximately 40% spend more than 30% of their income on rent.

The Vice-Chair: Thank you, Mr Brown. I have to turn to Mr Bisson.

Mr Bisson: I wanted to ask you a number of questions around rent control, but I just want to follow up on the shelter subsidy issue. Just to put this in context, what I think you're saying is that as a government you're trying to figure out how to get out of non-profit housing, if possible, and that you would favour going to a system of shelter subsidy, where the tenant would be given the money and they would go shopping around for the best possible deal in an apartment in the private sector. What

got my attention was that you were saying that you felt that the present system was unfair because those people who are now presently not getting a subsidy in a non-profit or a co-op housing project, or in the private sector through a subsidy, it's unfair for those people who are not getting that subsidy. That raises two questions. First of all, do you intend on expanding the shelter subsidy to cover those people who are presently not getting a subsidy from the government? Are you going to expand this?

Hon Mr Leach: A lot of individuals—and a lot of seniors, for that matter—in the numbers I've seen are paying, as I've mentioned, 50% of their income for shelter.

Mr Bisson: That's what the private sector is charging them, yes.

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Hon Mr Leach: Well, whoever is charging them, that's what they're paying. The existing programs and existing policies that have been in place do not provide any assistance for a senior female, for example, paying 50% of her fixed income for shelter. There's no way to help them out. I think that's unfair; I think it's unfair to those individuals.

Mr Bisson: Are you suggesting, though, that you would expand the shelter allowance program to cover those people who are presently not in any form of subsidized housing from the province of Ontario?

Hon Mr Leach: Yes, I think that you have to develop a program that takes it beyond those who are fortunate enough to happen to be able to qualify for a subsidized unit. I think we have to find ways and means of helping those individuals in society who need help and who haven't been able to get it as a result of the existing policies.

Mr Bisson: The next logical question is, where are you going to get the money for this? You're presently spending, as a Ministry of Housing, in subsidies to various projects across the province that are housing people on rent-gear-to-income and through others—I think the total is about \$3.5 billion altogether between what we give to the non-profits and the co-ops and what we give to private landlords. You'd have to blow the bank to get to that point.

Hon Mr Leach: Maybe I'm missing something here.

Mr Bisson: I think you are, yes.

Hon Mr Leach: Are you telling me that we shouldn't be trying to help those people who need help? Is that what you're saying?

Mr Bisson: No, I'm wondering where you're going to get the money for this.

Hon Mr Leach: We should just ignore them?

Mr Bisson: No, no, I'm asking you the question, where are you going to get the money to pay for this?

Hon Mr Leach: That's where we're looking at. We're looking at redefining the programs that are in place at the present time. As you said, as you pointed out, we're spending about \$3 billion for a groups of individuals.

Mr Bisson: It's \$3.5 billion. But if you expand it to cover people who are presently not covered, you're going to be spending more money because there'll be more people applicable. That might be fine, but I'm wondering,

are you saying here today that the Ministry of Housing is going to get an increase to its base budget? That's news to me.

Hon Mr Leach: What I'm saying is that we intend to develop policies that are going to help those people who need help. I'm just absolutely amazed that you would take a position that we should ignore those who need help.

Mr Bisson: No, no, I think it's a laudable goal, but even when we were in government, when we were accused of spending money foolishly, we couldn't have developed that kind of program for the amount of money it would have cost. I'm asking you, are the Premier and cabinet telling you the Ministry of Housing is going to get more money?

Hon Mr Leach: What we're going to do is spend our money a little bit more wisely. We're going to get out of the co-op housing business where we're providing \$10,000-a-year-per-unit subsidies to individuals, many of whom don't need subsidy whatsoever. If we could get out of programs—

Mr Bisson: But that's contrary to what you told me last week.

Hon Mr Leach: It's not.

Mr Bisson: You told me last week that you weren't getting out of the co-op housing business. Now you're getting out of the co-op business.

Hon Mr Leach: What are you talking about? Where have you been? We got out of the co-op business last July. Have you been asleep for the last six months?

Mr Bisson: No, no. You told me last Thursday—

Hon Mr Leach: We stopped 390 units.

Mr Bisson: Al, you told me last Thursday—

The Vice-Chair: This is rather amusing, but one at a time, please.

Mr Bisson: You told me last Thursday you had cancelled a bunch of co-op housing projects, but you were not going to privatize the existing co-op housing projects. You're now telling me today, on Monday, that you're going to get the money to pay for the subsidy by cancelling co-op housing projects that are presently being occupied.

Hon Mr Leach: No, what we're doing is, we're not getting into any more. We've stopped the boondoggle. No more \$10,000-a-year-per-unit subsidy being built. We can take that money, the money that would have been spent on those programs, reinvest it into people who need help, people you seem prepared to ignore.

Mr Bisson: But that indicates that you would have to have an increase in your budget, because those units that were being built would have added to the base budget of the Ministry of Housing in the form of a subsidy. Logic tells me that means the Treasurer of Ontario would have to give your ministry more money. I thought the whole exercise of what this government was trying to do was to balance the budget and eliminate the deficit in five years. How are you going to do that by expanding the program?

Hon Mr Leach: The policy of this government is to get out of the boondoggle-type programs that have been in place for about the last decade and get back to helping people who need help. I mean, you have to agree that somebody who is paying 50% of their income—

Mr Bisson: No, listen, I'm all with you on that.

Hon Mr Leach: —needs some help and we should try and do that.

Mr Bisson: Al, I'm your ally.

Hon Mr Leach: I somehow missed that.

Mr Bisson: If we can figure out a way to make it more affordable for lower-income people, I'm all for that too. But the problem is that I'm trying to figure out your logic here. You're saying you're going to expand the coverage of the new shelter allowance system to include those people who are presently not covered by some form of subsidy from the province of Ontario. It is only logical to assume that's going to cost more money. So you've got to do one of two things: You've either got to increase the budget of the Ministry of Housing—and I'm asking you, is that the approach that the government is prepared to take in order to expand that program?

Hon Mr Leach: Or you spend the money that you have more wisely.

Mr Bisson: Okay. Let's take it from the other side. I don't know if that's the answer but let's say, for the sake of argument, you don't get new money from Ernie Eves. Then it means you've got to get the money somewhere else. Does that imply that for people who are now covered under some form of subsidy, either in the private sector or in a non-profit, that subsidy will be reduced and shared among a greater base of people? Is that what you're going to do?

Hon Mr Leach: That's one of the options that is being looked at obviously. We indicated this morning and we indicated last Thursday that there were a number of options that this government is exploring to try and develop a shelter allowance program that will provide assistance to those who need it beyond those who get it at the present time.

Mr Bisson: That means that you would have to change the formula by which at this point 28% of income of a person who qualifies for a rent-geared-to-income goes towards the rent. If you're going to share it among a greater base by including more people in your new shelter subsidy program, it means you're going to have to allow those people to pay more rent than they're paying now under the rent-geared-to-income system.

Hon Mr Leach: It was your government that passed the legislation that increased their rent by 25%.

Mr Bisson: No, no. It went from 25% to 30% over a period of five years. I agree we did that.

Hon Mr Leach: That's pretty close to a 25% rent increase.

Mr Bisson: Minister, you're the guy in the seat making the decision for your ministry, along with your cabinet colleagues. You're going to be making a recommendation that they're going to have to support, and if you're going to expand your shelter subsidy program—I was just intrigued when you said that because I think, like you, that there are some people out there who need help who are presently not covered by the system. But I've got to ask a real simple question: Where are you going to get the money to pay for it?

If the Minister of Finance is not going to give you the money to add new people into the system, that means you've got to take what's there and you've got to spread

it over a larger base. If you do that, you know what that means? That means that Granny Smith's rent is going up, and she is on a fixed income, in order to subsidize somebody who is on an upper-income scale and who might be able to afford to pay more.

Hon Mr Leach: What we might do is take some of the 25% rent increase that you put on those people and use it for shelter allowance. Is that an option we could consider, do you think?

Mr Bisson: But you're at 28% now and our increase would bring it to 30% over a five-year period.

Hon Mr Leach: That's about a 10% rent increase.

Mr Bisson: I hear what you're saying, but that in itself ain't going to cut it, Minister.

Hon Mr Leach: Is it one of the avenues that we could look at? Does it provide some?

Mr Bisson: That's what you're telling me you're going to do. That's what I take it you're telling me you're going to do.

Hon Mr Leach: That's part of it. That could be part of it.

Mr Bisson: It's going to be a heck of a lot more than a jump from 25% to 30% of your total income if you're going to spread the base to people who are presently not covered in some sort of shelter subsidy.

Mr Curling: Rent control will be gone.

Mr Bisson: Like my friend Mr Curling, the Housing critic from the official opposition, says, if you take rent control off to boot, my God, do you know what's going to happen? They're going to drive you to the poorhouse. Your subsidy is going to go from \$3.5 billion to what?

Hon Mr Leach: I'm a bit disappointed with my colleague from the Liberal Party. Last Thursday he agreed with me that rent control wasn't working.

Mr Curling: I didn't agree—

Hon Mr Leach: Yes, you did. You check Hansard. I keep hearing the sound of flip-flops here.

Mr Bisson: There are two positions within the Liberal caucus on this issue. It depends who you're talking to.

Hon Mr Leach: It's either a yes or a no, one of those two options that they take.

The Vice-Chair: Order. All these true confessions are heart-warming, but we must get back to the real business here.

Mr Bisson: I know. Just to wrap that up, I'm going to be looking forward to what you do there with extreme interest because there are only two ways that you're going to be able to expand your program. You know it as well as I do, Al.

One, you're going to have to get Ernie Eves to give you more money, and I think that's a non-starter; I don't think that's going to happen. If you do, you'll be the first minister of this government to actually succeed in doing that, and for that we'll give you whatever award we give ministers who do that kind of thing. It's probably called the Boot Out of Cabinet. Or you're going to have to do the other, which is, if you're going to broaden the base, you're going to have to take it from those people who can least afford to pay, which is those people who are in the lower-income scale.

I think the goal is laudable. I don't have an argument with trying to expand it, but in this time of budgetary

restraint you're going to have an extremely difficult time getting the new money. It only means that you're going to have to stick it to those people of the lower-income scale even more than what's happening now.

You're further complicated by, and now we're getting into rent control, if you take the rent controls off, the big loser in this is not only going to be the tenant, I think it's going to be the person who pays a lot of rent in this province, which is you. You pay rents in this province to the tune of about \$3.5 billion a year, both in non-profits and co-ops and in the private sector through shelter subsidies in one form or another, and if you allow the rent control to come off, it only means that your budget's going to have to balloon.

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Why would you, as the person who signs the biggest rental cheque in this province, allow yourself to be in a position where you're going to have to blow more money because you're going to allow landlords in those markets where they're able to get away with increased rents? Why would you do that?

Hon Mr Leach: There's no rent control on non-profits now.

Mr Bisson: No, what I'm saying is, you're paying a greater number—

Hon Mr Leach: That's the biggest part of our—

Mr Bisson: But, Minister, whoa, whoa. You pay more money to the private sector through shelter subsidies than you do to the non-profits. What's the actual figure? Can I get the number here? It's \$2.5 billion to the private sector versus \$1 billion to the public sector? Is that the correct number? I get a nod of yes or no?

Ms Beaumont: Comsoc's budget for shelter allowances is something under \$2 billion at this point.

Mr Bisson: Yes. But the point is, a lot of that money goes to the private sector landlords, and if you turn around and you say, "I'm the Minister of Housing and I sign the cheque for a lot of rents in this province along with my colleague who pays it out in FBA benefits or GWA benefits for their shelter allowance. I'm going to take rent controls off," it means that the province of Ontario is going to be paying a heck of a lot more money to landlords in this province in the form of increased rents, doesn't it?

Hon Mr Leach: You're assuming that rents leap up. But one of the programs that we set—

Mr Bisson: How are you guaranteeing that they're not going to leap up?

Interjection.

Mr Bisson: I'll let you answer, Al. Sorry. I've got to be nice to you. You're really my friend, you know. I just want you to know.

Hon Mr Leach: What's that old statement? With friends like this, who needs enemies?

Mr Bisson: Al, I'm the only friend you've got at the moment.

Hon Mr Leach: Well, you are my friend. We have, by the way, had many philosophical discussions along this line and sometimes I think we're even getting a smidge closer.

Mr Bisson: You're about to sign an NDP card, I believe.

The Vice-Chair: Memories of 1975 notwithstanding.

Hon Mr Leach: Every time we get a little bit closer, he veers off to the left again and we lose him.

That's not beyond the realm of possibility. That's probably a good possibility. But again, if we don't take that type of action we're not going to get any new private sector apartment stock being constructed.

Mr Curling: They won't build—

Hon Mr Leach: Under the current regulations they won't. They've already told us that. I'm glad you agree with that. They won't build under the existing rules. We have to change the rules. What we have doesn't work.

Mr Bisson: But here's the logic of what you're doing, Al, and this is the problem I've got. You're saying on an ideological principle, you want to help those people in the development sector who want to build new apartment buildings by giving them the ability to take off rent controls altogether. They're already protected, because there's no rent control on new rents for five years. But anyway, let's not get into that debate right now. But you're going to do that in order to help a few developers build a couple of apartment buildings. First of all, I don't think—

Hon Mr Leach: Who are they building them for? Are they going to live in them themselves or are they going to rent them out?

Mr Bisson: Listen. Al, the point is—and that's not going to get it for you. You know the problem is development charges, it's taxes, it's all that other stuff.

Hon Mr Leach: It is, yes.

Mr Bisson: That's the problem. It's not rent control.

Hon Mr Leach: Rent control is one part.

Mr Bisson: Rent control, I would bet you, if you were to sit down and look at it, is less than 2% of the problem and probably even less. So the point I'm getting at, for a government that comes to power saying, "We're the commonsense government that is going to do things that make sense," what you're doing makes absolutely no sense at all. You're the guy who's going to cut the rental cheque, and if you take rent controls off, you as the provincial government are going to allow your budgets to mushroom to points that you're not going to be able to sustain. It is in your vested interest, as a province, as the people who pay a lot of rents in this province, to make sure that we have an absolute cap on rent control, not only to protect those people out there who are not getting a subsidy at this point, but also to protect your own behind. You have to pay those rents. So why do it? What's the logic here?

Hon Mr Leach: But I think you have to agree, and I know you do agree, that we have to get new rental stock on the market. You have to agree with that.

Mr Bisson: Fine, I agree with you, but you're not going to do it through rent control.

Hon Mr Leach: So then what we have to do is we have to provide an atmosphere to entice people back into the building business.

Mr Bisson: Al—

Hon Mr Leach: This is question and answer. You question and I'll answer. We went through this before.

Mr Bisson: No, no, this is an opposition forum, all right? I've been over there before.

Hon Mr Leach: If you start to hear the sound of a commonsense answer, you interject. Is that the way this works?

Mr Bisson: But the point is, Al, you know as well as I do, and my friend Mr Curling and everybody else in this room who knows anything about building and development, what's stopping people from building apartment buildings today is that it's not economical. That's the problem.

Hon Mr Leach: I agree.

Mr Bisson: It's not because of the rent controls.

Hon Mr Leach: Yes, that's part of it.

Mr Bisson: Every developer I've dealt with over the past number of years says to me, "I'm paying 280% more tax on an apartment building than I would on a private building. I'm paying development charges and other things in the forms of fees and permits that are fairly high," depending on what city you happen to find yourself in. The cost of materials has gone through the roof literally to where it's very expensive to build and it's become uneconomical to build that sector of the market which provides lower-income rent buildings that we find around this province. They can still—

Hon Mr Leach: So you would agree that those things should be changed. Would you agree that those things should be changed?

Mr Bisson: Hey, listen. I'm going to be going on the other committee and I'm going to support you on some of that stuff.

Hon Mr Leach: We proposed to change them. You didn't. You just left them sitting out there.

Mr Bisson: Listen. I'm going to go on the other committee and support you on some of that stuff because where you move as a government that makes some sense, I think it's incumbent upon us in opposition to work with you to make that happen easier. But this is a give-and-take here. Don't go over there and say, "We're going to do this," and then after that you're going to go on the next committee and stick it to tenants. That's all you're going to achieve by getting rid of rent control.

Mr Curling: Beat up tenants all the time.

Hon Mr Leach: One thing I'm sure you've heard me say over and over, and I'll repeat it once more, is that we're not doing anything with rent controls until we're satisfied that we have a program in place that provides protection for tenants.

Mr Bisson: Will that new system have an absolute cap on rents?

Hon Mr Leach: I said that we are going to provide a system that provides protection to tenants. We're not making any changes until we do that, but I do know that changes are necessary because this system doesn't work.

Mr Curling: You're selling off the non-profits, though.

Hon Mr Leach: It doesn't work.

Mr Bisson: Oh Al, you can't say the system doesn't work.

Hon Mr Leach: Alvin, you sat there last Thursday and I asked you the question, do you think this system works, and you said no.

Mr Bisson: That's okay. He's allowed. But, Al, listen. You can't come to this committee and say rent controls

don't work. Where is the lineup of thousands of tenants in this province that you would expect to see if the rent control system didn't work, and where is the lineup of tens of thousands of landlords who say it doesn't work?

In all my dealing with both landlords and tenants, the issue has not been rent control. There are some landlords out there that would like to be able to raise the rent, and given the opportunity of no rent control they would do it, but the majority of the people are well served in the system. You can't say that and get away with it.

Hon Mr Leach: Did I hear the gong?

The Vice-Chair: At 12 noon.

Mr Bisson: We'll carry this on later.

Hon Mr Leach: Yes.

The Vice-Chair: You have 12 minutes remaining in that round, so we can either continue with that or break for lunch, as we normally do.

Mr Bisson: Do I get the 12 minutes? Do I start when I come back?

The Vice-Chair: You carry that forward when we come back.

Mr Bisson: As long as I start when I come back.

Hon Mr Leach: I'm sorry, Joe. I thought I heard the gavel go.

Mr Bisson: That's fine.

The Vice-Chair: We'll adjourn for lunch then.

The committee recessed from 1157 to 1329.

The Vice-Chair: Members of the estimates committee, we will now resume our afternoon sitting. I believe we left off with the NDP having 12 minutes remaining on their round. Mr Martin, I'm going to turn over the floor to you.

Mr Martin: I just want to follow up a little bit on the line of questioning that my colleague Mr Bisson was chasing before we broke. I don't pretend to have the same in-depth understanding of the whole issue of your ministry, because I'm not your critic, but I certainly have some concerns that come not just from me and the limited ability I have to read, study and try to understand the impact of what you're proposing, at least by some of the indicators that we see re the whole question of rent control.

What I hear when I talk particularly to my constituents at home and some of the renters in my community—I guess coming from my own watching and experience of the 1980s, where rents went right out of orbit and we had the flipping of properties and a whole lot of very unseemly activity in that area. You're on the record as saying that you want to remove rent control. The first question I would have is, are you looking at any kind of a cap at all? What will you do if this whole thing begins to spin again over the deep end so that people just can't afford a place to live any more, particularly the ones at the bottom end?

Hon Mr Leach: We're looking at a couple of models that are used in other provinces. The two that are quoted most often are Quebec and BC.

BC has a tenant protection program where the tenant can object to a rent increase on a one-off basis. Their first position is to negotiate with the landlord, and if they can't resolve or come to an understanding with each other, then they have an opportunity to take that to

arbitration and the arbitrator would make a decision on whether the proposed increase was fair or not, and his position is final. That seems to be working relatively well from what I'm advised; certainly well enough that I believe that we in Ontario should investigate it and see if there is an application for that type of program here.

As you know, as we've discussed this morning and last Thursday, my only concern is that we're not getting any new apartments, particularly in the large urban areas where you have almost no vacancy rate whatsoever and every year there are thousands more people looking for rental accommodation and nothing coming on stream. So we have to find some ways and means of enticing the builders back into the market.

There are many ways and many options to look at. I agree 100% that rent control is only one of the issues that inhibit more building but it is one that is brought up in every instance, in talking to people involved in the business, that is stopping them from doing it.

To answer your question, I think we will always have a program with legislation that ensures that tenants are protected. That's paramount and I've been quite vocal in indicating that we will not do anything with the existing rent control program until such time as we're convinced that we have a program that provides adequate protection to tenants.

Mr Martin: My colleague suggested to you this morning that the end result of what we're all trying to do here is to provide affordable housing to people and do it in a way that isn't going to bankrupt anybody, including the government, but to make sure that it's there, and if it is the private sector, to make sure they can in fact do it.

I think you referenced this morning that you believe that because of rent control, some landlords have not been able to generate the revenue they need to renovate their facilities. I've seen some of the facilities. I went on a little tour about two years ago in downtown Toronto. Actually, a year or so after I came down here, because I wanted to see for myself what was out there, what people were dealing with, what they were living in. You're right; some of it's pretty horrid. I was trying to get a handle on why that was the case. I was motivated out of that to do or to support whatever our government could do to make sure there was a goodly number of decent, affordable homes for people to move into.

The concern I have, though, is that when we lift the rent control, the landlords who already have facilities—let's talk about them for a minute. By the time they are able to generate the kind of money they need to do the renovation that's required, which you've said is substantial, and then you look at the landlord who's going to build new, the cost of building and trying to get the return on investment that people expect today when they put money into something, don't you have any fear at all that that in itself will drive the cost of rental units beyond the reach of a whole whack of people?

Hon Mr Leach: I would hope not. By the way, if you went out and took that tour again today, it hasn't gotten any better; it's gotten worse if it's done anything. You've touched on I think one of the major problems that we're facing. Good landlords who want to ensure that their tenants have the best possible accommodation available,

who keep maintenance right up to scratch, can't get even a reasonable return on their investment. It costs them money, so they just take a look at it and say, "I could stick my money in a savings account and do better than this."

What happens then is, they sell the building to someone who says: "I can make a dollar on this. The way I'm going to do that is I'm going to cut every corner that it's possible to cut. I'll shave maintenance to the bone. I'll only replace lighting when somebody complains about it. I'll only clear the snow away when it becomes an absolute health hazard and things like that." What happens is that they do make a dollar, but they make it on the backs of the tenants, and that's unfair. We have to do something to correct that situation.

Mr Martin: Having heard the argument that putting the kind of renovation in that is required to live up to all the standards and do the right thing would be very, very expensive, I guess I'm afraid that if you lift the cap that's there with the rent control, the tenants are going to get it no matter which way you go. They're going to get it the way that you've just described with rent control, if that's in fact what happens, but they're going to get it in another, I think even worse way, if you lift the control, because the cost then becomes so prohibitive that they won't be able to afford even the hovel they're living in now.

It seems to me that anybody who's investing is going to want to invest—I think experience has shown this—in the high end as opposed to the low end. What are you going to put in place to ensure that there are people out there who are willing to either renovate or build and put enough units on the market to fill the need on the low end as opposed to the top end?

Hon Mr Leach: One of the things we have to do—I know it's one of the few things your colleague and I agree on—is to get the costs of renovating and building new accommodation down. As I mentioned earlier, rent control is only one of the issues that affects enticing people back in. You may say that it doesn't have an effect on it, but even if it's a perceived effect, if a builder or pension funds or people who are going to provide capital into building new accommodation perceive that rent control is a problem, then perception is reality. But I will totally agree with you that it's only one of many issues that have to be dealt with. The main one is, we have to get the cost of building new rental accommodation down, and there are various ways to do that.

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Mr Bisson: Perception, in our view, is almost like saying, "I perceive the Tories are bad so I won't vote for them."

Hon Mr Leach: Is Tony finished?

Mr Martin: Yes. I'm going to pass it on to my more aggressive friend here.

Mr Bisson: Listen, I've got three minutes left. We have three minutes, two minutes left?

The Vice-Chair: One.

Mr Bisson: One minute left—a really simple question: On your new system of rent control that you're looking at, are you going to be putting in place an absolute cap? I doubt that you are, the way you're talking. If you're not

going to put an absolute cap on the amount of rent they're allowed to go up under this decontrolled system, how are you going to prevent that from happening?

Hon Mr Leach: Let's assume—this is an assumption because no decisions have been made yet—that we put in something like the BC model of tenant protection. If a tenant objects to the rent increase, it goes to an arbitrator. An arbitrator deals with both parties and evaluates whether that proposed rent increase is fair or not fair.

Mr Bisson: Sounds like a not very democratic system to me. We're going to be spending all of our time in arbitration.

Hon Mr Leach: Not necessarily. It seems to work well out there.

The Vice-Chair: Mr Barrett.

Mr Toby Barrett (Norfolk): Minister, I wish to discuss the Ontario Building Code. This morning Mr Kells made reference to the former Ministry of Housing as the ministry of public housing, with the suggestion that private-sector-created housing and private-sector-maintained housing as being neglected under the system that's been set up.

It's my view as well that government rules, regulations and red tape are inhibiting not only builders but landlords from providing the kind of housing we need. We've been operating under close to 20 years of rent control. Over the past 20 years the Ontario Building Code has been broadened extensively, especially since about 1986, into areas beyond just ensuring the health and safety of the occupants of the buildings or ensuring that construction is up to specifications. Private landlords are competing with government-subsidized, non-profit housing. I'm a former landlord, and after 12 years I got out of the business. I just could not compete. Operating a small rental property in rural Ontario, I felt I was subjected to regulations that maybe had relevance for high-rises in the city of Toronto as opposed to regulations that have relevance for a riding that's made up of primarily small, privately owned, single-family dwellings.

To go back to the building code issue, I want to determine its effect on housing construction. I recognize in the early 1980s very high interest rates pretty well killed the housing industry. They certainly did in my area. A tremendous pent-up demand in the mid-1980s and the late 1980s and increasing consumer confidence resulted in again a tremendous building boom. That ended about 1989-90 and we just haven't seen much since. I can visualize almost every new house under construction in my riding when I drive around. There aren't very many of them.

Builders I talk with and used to work with before I got this job have been grumbling about the building code. There's what I hope is some misinterpretation about it. We hear of issues like fire protection and sprinklers in residential houses; there are some scary stories out there. Again, the builders know the impact of interest rates on the economy and consumer confidence but they're very concerned about the building code, and there's a very high expectation that we are going to do something about the regulations that have been added to the building code that goes far beyond just health and safety and the security of occupants. Could you comment on that?

Hon Mr Leach: Yes. I had an opportunity to speak to the building code officials in North Bay at their annual conference earlier this year, or I guess late last year. We plan to totally review the building code. As you're probably aware, it's updated every couple of years. The next update is due in 1997. What I'm recommending we do is get back to basics with the building code. As you indicated, it was initially put in place to ensure basic health and safety issues across the province applied to all building. It has been expanded to a point where it's gone far beyond its original intent. Many of the issues that are in the building code I don't quarrel with as standards; I just don't believe they should necessarily be in the building code.

The example I often use is the requirement to have floor-to-ceiling insulation in a building. That's probably not a bad idea. It's costly. If a builder wants to put up a building and have that standard included in his project, then he should market it that way and say: "Here's an extra level of standard. It provides more warmth in your basement and does a whole lot of other things. It's going to cost you an extra \$1,000 on the price of this house, but it's well worth it, so buy my house." I don't think that's an issue that should be built into the building code, saying everybody has to apply this standard.

Mr Barrett: Just to comment on that, I had the opportunity to build my own house and I did install floor-to-ceiling insulation in my basement. I also used two-by-sixes instead of two-by-fours and an extra inch and a half of SM insulation on the exterior. Because I built my own house, I was willing to top it up or to do the extras, because I do not plan on selling the house.

I really question why some of those options that I would vote for, and that many people who maybe want to put a lot more money into their home than other things would opt for, would be regulated for all and sundry and why it's a requirement for people who are building homes in the marketplace. There just doesn't seem to be any flexibility. I'm wondering if we can achieve this flexibility. By achieving the flexibility, I'm convinced it will decrease the costs for builders, to enable more people to purchase homes. But can we increase this flexibility? Can we come up with some alternatives? Can we perhaps look to self-regulation in the industry rather than marrying almost every nail that gets pounded in to some rule and regulation?

Hon Mr Leach: I agree. In this review of the building code that's taking place right now we're looking at getting back to basics, as I mentioned, getting back to the basic health and safety issues that the code was originally intended for, and issues like insulation and fire sprinklers etc should be marketed as a plus, upscale, in the construction of a house but not necessarily mandated to every house in Ontario.

I agree with you that the changes that have been made in the building code in the last decade have driven the price of houses up considerably. Between that and development charges, we're looking at between \$20,000 and \$30,000 on the cost of a house. Mortgage that at 8%, 9% or 10% over 35 years and you're into a pile of money that has made housing affordability for many of our citizens just unattainable.

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Mr Barrett: I understand as well that through the industry—and I did not take advantage of this, I guess, because I built my own home—there's a warranty program, through the Ontario New Home Warranty Program. What little I know about this program strikes me as being a system that's been set up for home builders to not only take responsibility for their product, but to be held accountable. It sounds like an insurance program that they all contribute to and are held accountable probably by their own association. Can more responsibility be put on a group like this to provide some regulation in the industry, as you say, to ensure the basics without going above and beyond to every bell and whistle that some individual may want?

Hon Mr Leach: My understanding of the home warranty program is that it is funded by the building industry and it's to protect us for that type of occurrence, where you get a cracked basement or some issue. It's worked very well when you have isolated problems where a builder has a warranty on his home and he'll come in and make the repairs to the cracked basement or the broken tile or whatever it is. There have been other occasions, and the only one that comes to mind is the plastic vents. What was that program where we were replacing the vents?

Mr Barrett: Gas furnaces.

Hon Mr Leach: The gas furnace issue. It was a huge expense. If all the builders had had to cover the cost of that under their warranty program, it could have put a lot of them into bankruptcy. Then it became a real hassle about whose problem is this. Is it the builder who bought the unit in good faith? Is it the manufacturer who maintains that you knew what it was you were buying? Is it the government that said this was not an acceptable product? That's been going around and around in circles. I think we reached some satisfactory—was it a cost-sharing?

Mr Burns: I think the Ministry of Consumer and Commercial Relations, which was responsible for the Ontario New Home Warranty Program, (1) worked out a new financing arrangement, but (2) has also given its stamp of approval to a couple of replacement products which can be used in relation to that particular problem.

Mr Preston: That program is over now though, isn't it, the replacement program?

Hon Mr Leach: I'm not sure whether it is or not.

Mr Preston: I think it ran out.

Hon Mr Leach: I know they reached some conclusion late last fall. There was a time frame involved where you could respond, but whether it's all over now I'm not sure.

The home warranty program has a lot of merit and I think most responsible builders subscribe to it.

Mr Barrett: Just in closing, given the nature of most structures that are erected in my rural riding and most rural ridings, oftentimes it's the owner himself, whether it's a residence or a farm building or a place for small business. In many cases, when it is contracted out, it's usually a chap and his brother-in-law and his nephew who put this stuff together. These people get the work because they have the reputation and they have the

contacts and they know who to call in for the concrete and other jobs like that. It seems to work very well.

What I'm finding, in chatting with people over the years, is that the rules and regulations in part take the fun out of it. It takes the spirit out of this and it almost encourages a bit of cheating on the rules. They're trying to get away with the barest minimum, as opposed to providing respect to some of these builders, respect for their craft and their reputation, because their business rests on their reputation, especially in small towns and rural regulations. You can beat the horse to death with too many additional additions to this building code.

Hon Mr Leach: I see our colleague Mr Sheehan is here in the room. If anybody's going to take care of red tape and regulations, we've got the right man listening to this debate.

Mr Frank Sheehan (Lincoln): I have a question for you. On pages 41, 64 and 68—

The Acting Chair (Michael A. Brown): Are you finished, Mr Barrett?

Mr Sheehan: Are you through, Mr Barrett? Oh, I'm sorry. I thought Toby was through.

The Acting Chair: I lost control. It's all right.

Mr Barrett: We changed chairmen in midstream there.

Mr Sheehan: A couple of numbers come up, all dealing with non-profit housing. There's \$860 million, \$274 million—these are all in hundreds of millions—

Hon Mr Leach: I'm sorry, Frank, what page?

Mr Sheehan: Pages 41, 64 and 68. I don't think you have to look them up. Maybe the minister or the deputy might. They talk about non-profit housing. I get confused with all the numbers and some of them seem to say the same thing, but I'm not sure they're saying the same thing. Maybe you'd explain those to us.

Then maybe you could explain to us the problem that you're facing as you confront this problem. It's all well and good to say that money should not take precedence over the people involved in this thing, the people served, but if we continue spending the way we're spending, there won't be any money to take care of anybody. I will use the family analogy, that the parents must manage the resources, and that's what I ask you to do.

Maybe you could explain to the committee the problems you have, some of the dollar numbers you have and the management problems you have. Maybe you could explain to us the red tape that's involved in administering this thing vis-à-vis a private sector organization. I'm trying to get a handle on what you're doing here. It's just mind-numbing. I read through the book twice and I sat there and I thought *Gone With the Wind* was a hell of a lot more exciting book, but almost as long. Can you help us out there a bit?

At one of the briefings we had you were throwing around numbers like the subsidy numbers and the cost of it and the administration costs and the condition of the buildings and the dollar costs to bring them up to speed. That's one end of it.

Then the other side of it becomes, when you're administering this thing, how much of the red tape do you have that confronts you that could be identified and cut out and would that make the thing more effective? How do the costs vary compared to the private sector?

Hon Mr Leach: You've touched on a number of areas there. We're talking about the administrative costs to administer the programs. I can say on the rent control program, for example, that the administrative costs to look after that within the ministry are \$22.5 million just to ensure that you have a process in place that rent control can function.

Mr Sheehan: On a cost per unit, how does that compare to the public—say a private sector?

Mr Burns: The minister was working through the ministry programs as defined here, starting with rent control, which isn't really an administration of housing program. There is no private sector analogue for that one.

As you go through the rest of them, the non-profit housing line and the Ontario Housing Corp line, then there are costs in the administration of those programs for which there are direct private sector comparables and there are costs for which there aren't. The ones for which there aren't are those where we require operators to do things that a private sector landlord wouldn't have to do, like maintain a waiting list and evaluate people who might be seeking housing, or evaluating their income again each year.

In the non-profit program, we have done some assessment of how operators in the non-profit program, and there are about a thousand of them, are doing in the main components of their operating costs that they can exercise some control over, so I'm excluding mortgage interest and I'm excluding taxes and utilities.

Looking at the remainder, maintenance costs, costs to maintain the basic property management service—and in the non-profit program we have a wide range of actual performances in relation to each other and in relation to the private sector—somewhere between 15% and 20% of non-profit operators have manageable costs, where they're comparable, that are quite similar to private sector cost experiences. The remaining 80% are higher and some of them quite a lot higher. As to the ones that are higher to the largest degree, there are two groups: one, those who offer a service in addition to housing. They're typically running very small projects. They might be housing people with physical disabilities or who had been in psychiatric institutions before. Now, they, for perhaps obvious reasons, have rather high operating costs. That's one group.

The other group are the larger non-profits, usually owned and operated by municipalities, and they have a more expensive operating cost structure in part because they've got, typically, a unionized workforce. They're often using work rules and arrangements that are the same as the municipality itself.

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So the actual performance of that system, that thousand providers, is quite diverse. What we have been doing in the last while, what we're going to focus on during the next year or two, is trying to tackle our cost constraint needs by distributing those constraints based on how people do on a cost-effectiveness measure. In other words, the more you depart from cost benchmarks, the larger a constraint you'll get, as opposed to across-the-board constraints of the sort we saw in the past, so that over time we expect more and more the non-profit

system, in the manageable-cost area, to show cost performance which is similar to private sector performance. That's in the non-profits and cooperatives.

In public housing, the Ontario Housing Corp, we also have a fair range of manageable-cost performance, and as we work through, as the minister indicated earlier, what we might do in the longer term with that stock, to move it away from ownership and operation by the province—even in the short term, we are moving to restructure the operations of that crown corporation so that it itself becomes more cost-effective and we are using private sector cost benchmarking to help in the exercise of choosing where to make changes in the way we do work and the business practices and move that operation closer to private sector performance as well.

Mr Sheehan: You intend a couple of things then. You intend to reward the better performers in that area where you're getting these direct comparisons? It's one thing to have a stick on the other guys, but where's the carrot? Do you have it contemplated?

Mr Burns: The first carrot is if you're meeting—

Mr Sheehan: Keep your job, I know that, but above that.

Mr Burns: You don't get cut.

The second part of it is a problem that actually bedevils program administration in the whole public sector, and that is, can you find a way to design an operating funding relationship that's got incentives in it to be cost-effective, to let people retain some of the benefit of being cost-effective year over year?

We have been working towards that sort of system and we now have with the non-profits an incentive structure that allows them to retain a portion of an operating saving if they achieve it and we have a little bit of that in the design of our capital cost control system too for the few projects that are finishing construction.

In the Ontario Housing Corp at the moment we don't have any incentives of the sort you're describing in the operating budget, but it is something the corporation is looking at as it looks at restructuring its internal operations.

Mr Sheehan: I assume you're getting stuck with a large part of the bill of the municipally operated houses. I haven't put my head around not-for-profit when all these other terms are used, but when you talk about the municipally operated plants, are they just presenting you with a bill and you pay it and they run it?

Mr Burns: No, they have operating agreements with us that require them to adhere to the norms that we have in the program, and we have an established process for changing, for example, the budget norms. What we would be doing with respect to them this year is they're going to get a bigger reduction target than the smaller, more cost-effective operators. Over the course of probably two or three years we hope to bring them much closer to the benchmarks that we've got.

Hon Mr Leach: I think what my colleague might be referring to is the co-op housing program, where we're subsidizing each unit in excess of \$10,000 and how that's determined. Part of it is based on the rent geared to income of the individuals who are in it and we subsidize that. The balance is the difference between the market

rent that's charged for people in a co-op and the operating cost.

I'll give you some round numbers on this, they're round, gee-whiz-type numbers. The average rent generated in a co-op is between \$350 and \$400. The average market rent that's charged is about \$750 to \$800. The operating costs range anywhere from \$1,150 to \$1,400. So the average rent that we get, let's say, is \$400 and the average operating cost is \$1,200. The \$800 subsidy is what—I think your question was, are we writing a cheque for that, and the answer is yes.

Mr Sheehan: So my question becomes, then, what are you doing—like, in the nursing home business, you've got private operators who are running full-service nursing homes at—one fellow I know says \$79 a day and he's making money. That's a not-for-profit, but he's making money, he's covering all his capital costs, allowance costs, and he's able to reinvest in his plant. If he's doing that at \$79, but the average cost to municipalities is over \$100 a day, it just seems to me we say, "Well, that's the way it is." If we're going to maintain and continue to offer these services, I don't think we can continue to say that's the way it is, just because that's the way it is.

Are you guys going to address, as a ministry, the problems with the union labour rates, with the union work-to-rule routine? There's something wrong with this process. We're either going to continue the safety nets the way we've got them or we're all going to go down in the ship together.

Hon Mr Leach: I think, as the deputy pointed out, we are doing something about it. We're dealing with the entire non-profit co-op program and looking at their operating costs and how we can bring them back in line with what the private sector does, for example. Some are more efficient than others. Some compare quite favourably with the private sector at the present time and some of them are quite a piece out of line. We're trying to develop a program, and I'm confident that we will develop a program, that rewards those who are operating efficiently so that reductions in government programs won't affect them, which is the carrot approach.

We have to develop a process that ensures that those who are operating inefficiently are brought into line, and there are ways and means of doing that by reducing the subsidies that are available to them. But I also think you have to develop a process that shows them, as much as we can, where they're being inefficient in administration, in hiring practices, in not filling vacancies, for example. If you have someone who is not aggressive in ensuring that their unit has 100% occupancy, for example, or very close to it, that's all revenue that's not coming into the co-op, and in the long term ends up as part of the operating costs, because you're still paying the bills and so forth whether that unit is full or not. That ends up being the cost that we assume. So we have to, I guess—I was going to use "training program"—provide some management knowledge and tools to the people who run co-ops now to make sure they can make the right decisions and work as effectively as possible.

Mr Sheehan: Can you tell me how far along you are in your revision of the Landlord and Tenant Act?

Hon Mr Leach: How far along we are in the—

Mr Sheehan: In the process.

Hon Mr Leach: That's actually not my act. It belongs to the Attorney General, for some reason, which we'll find out at some point in time. But right at the present time, he's welcome to it.

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Mr Sheehan: Okay. The next question's probably going to get the same answer, because we just had market value assessment laid on us. Is this in your ministry or is that Ministry of Labour or something?

Hon Mr Leach: The point is well taken, and this is another thing that we are doing within government to ensure—again, it relates back to the responsibilities that you've been given—that programs of like nature fall in the right ministries.

Right now in our program—we talk about shelter subsidies, for example. The Ministry of Health has programs, we have programs, Comsoc have programs, Culture and Rec have programs; everybody and their brother has a little piece of the action. I think that if we could find ways and means of putting all of those programs into the appropriate ministry, you'd probably save one hell of a pile of money just on the administration, and stopping people from going over and getting a few bucks here and a few bucks there, and another couple of bucks over there. When you look at the balance sheets of some of these organizations, their total source of revenue comes from various government departments. Half the time I don't think one government department knows what the other one is giving.

Mr Sheehan: Is the assessment process in your ministry?

Hon Mr Leach: Assessment? No, that's the Treasurer.

Mr Burns: Ministry of Finance.

Hon Mr Leach: Finance, because assessment really wouldn't have anything to do with housing.

Mr Burns: Or local government.

Hon Mr Leach: That's another good case in point where we have to start paying some attention to who's doing what in government agencies.

Mrs Ross: How much time do we have left?

The Acting Chair: You have about one minute.

Mrs Ross: Well, with one minute left—

The Acting Chair: There will be at least one more round this afternoon.

Mrs Ross: I guess I wanted to ask, under rent control legislation there's a maximum allowable amount that a landlord can raise his rent, is that correct?

Hon Mr Leach: That's evaluated each year. Every year there's a formula in place where the rent increase is determined. This year it's 2.9% or 2.8%, which I guess is the lowest. People talk about rents running out of control. That's the lowest increase that's been allowed in many years, or ever, and yet rents are still below what landlords are eligible to charge. So the marketplace is actually driving rents right at the present time.

Mr Curling: And yet there are rents that are offered and landlords are still offering at less.

Hon Mr Leach: That's right. That's what I'm saying. The marketplace is really determining what rents should be.

Mr Curling: Because of rent control that was brought in.

Hon Mr Leach: No, it's not, it's totally opposite. Right now you can walk out under rent control and the rent control will allow you to charge \$1,000 a month, where landlords are actually renting those for \$750 or \$800.

Mr Curling: So that proves the point itself, that all this rush to cancel rent control is what? However, I won't get on this rent control game again. Let me—

Mr Bisson: What's the point? Rent control's a game—

Mr Curling: What was described by the deputy—

Hon Mr Leach: We have an alliance of the NDP and the Tories.

Mr Bisson: Well, I'll tell you, we're probably more—

The Acting Chair: Mr Curling, I think, has the floor. It would work a little better if one member spoke at a time.

Hon Mr Leach: My apologies, Mr Chairman.

Mr Curling: What you say, Mr Minister, and the deputy himself has described that, there's a vast difference in how government runs the housing business and how the private sector runs the housing business. Would you say so? Because I heard—

Hon Mr Leach: Yes. In many instances it's necessary that non-profits, for example, have a responsibility to administer waiting lists, to look after a number of administrative functions that are not part of the private sector.

Mr Curling: If you do compare them, it's kind of unfair because there are certain things that the government will do because how it runs its housing business, if you want to call it that, is much different than the private sector.

Hon Mr Leach: Well, I wouldn't say it's unfair because we know what those administrative costs are. If we peel those off, there is still an imbalance between the private sector and the public sector.

Mr Curling: And when you peel those balances off it's because of incompetence and inefficiency in how the government, not tenants at all, ran these things.

Hon Mr Leach: Not necessarily. I'm sure there are some inefficiencies, there's probably some incompetence, but it's a combination of a number of things: wages, contracts, labour contracts; any number of—

Mr Curling: Contracts are private.

Hon Mr Leach: Any number of issues that can—

Mr Curling: But the contracts you're talking about, these are private people that the government itself contracted to do the job.

Hon Mr Leach: No, I'm talking about labour contracts more than anything else.

Mr Curling: If you give a greater amount of money when you are soliciting contracts and it drives the price up, it is because it was not managed properly, because I can't see why someone building public housing or non-profit housing and one building a private—

Hon Mr Leach: Let me give you a good example then. In a government operation when you're going out for a product to run your housing, whatever it is, whether it's lawn maintenance or painting or whatever, governments are obligated to go to public tender. There is a cost of administration of going to public tender. Prices are not

necessarily cheaper by public tender. If you're in the private sector, you go out and negotiate that price. What often happens, and I think that anybody who's been involved in the building business, you more often than not go out and negotiate a price and then you take that low bidder in and you negotiate some more and probably drive your cost down. So there's more ability on behalf of the private sector to get the cheapest price than you do, obviously, in the public sector where you call a tender and you take the lowest price that comes in—not necessarily the lowest price but generally the lowest price—and then have to look after all the costs of administering that as well.

Mr Curling: Let me just move on to something else, Mr Minister. One of the main reasons of government in the housing business is to offer affordable housing to those most in need. Most of the people who are in need are those people who are on welfare and people who earn low incomes who cannot access the rental market easily, or even buying a home. Why would your government then slash a 21.6% reduction in the income of those on welfare who are the ones who want to access housing? Would you feel that that itself would have an adverse, a negative effect on what you're trying to do for those people to access affordable housing?

Hon Mr Leach: The rents in OHC, if I recall correctly, did not increase as a result of the 21% reduction.

Mr Curling: Sure, they did not increase, but the income of people decreased.

Hon Mr Leach: Yes. What's your point?

Mr Curling: They would then have less money—I'm not talking about OHC itself. I'm talking that you are helping people to access affordable housing, generally, in the private or wherever it is, because you want to bring the price down so people can access affordable housing. Now, people outside there who are getting welfare or any kind of subsidy are getting 21.6% less now in income to access those homes. They have less money now to do it.

Hon Mr Leach: Yes.

Mr Curling: Don't you think it is working in reverse to what you want to happen?

Hon Mr Leach: I'm sorry, I've kind of lost the point here.

Mr Curling: You lost the point? If I have less money I can't access—

The Acting Chair: Mr Curling, through the Chair.

Mr Curling: If I'm given \$100 a month—

Hon Mr Leach: Yes, I agree.

Mr Curling: You get that point?

Hon Mr Leach: They have less money, yes.

Mr Curling: Yes, yes. Wouldn't it be more difficult to access the rent that is out there, which is making it difficult for them anyhow to pay for their rent?

Hon Mr Leach: Yes, I wouldn't argue with you. I think that any time you have someone who's on social assistance and somebody who has almost nothing to start with and you take 20% of that away, it's very difficult. And it is difficult, and nobody is going to deny that it isn't difficult.

Mr Curling: Sometimes these things are not difficult at all to understand. I understand that. If I get 21% less

in my income and I have to access the same place for that money, it would be more difficult.

Hon Mr Leach: Yes. You're going to have to adjust your living habits and your spending habits, as anyone would have to do who has had a reduction in income. Believe me, there are hundreds of thousands of people who aren't associated with—

Mr Bisson: Don't suggest tuna, whatever you do.

Hon Mr Leach: —who are not on welfare who have had wage reductions and cutbacks, and in fact every civil servant, I believe, took a 5% cut.

Mr Curling: I understand all that, Minister, but I'm just saying that most—

Hon Mr Leach: So a lot of people have to adjust their spending habits.

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Mr Curling: Those on welfare are the most vulnerable in our society, as we know.

Mr Preston: No, the guys who are working for minimum wage—

The Acting Chair: Order, one at a time. Mr Curling has the floor.

Mr Curling: Those on welfare, some of those are the most vulnerable in our society—

Hon Mr Leach: I agree.

Mr Curling: —to survive. It's a fact. Of course, there are the working poor, yes, also. I agree with you, but I was just dealing with that group, where the government is trying to assist and support and help those people through those transitional times. Is that causing a problem in your ministry, setting up policies for people to access affordable housing now, now that they are 21.6% more away from that?

Hon Mr Leach: No, it probably would in the long term but in the short term there's such a shortage of supply, there's so many thousands of people on waiting lists that their opportunity to access affordable housing is pretty slim to start with, to find a subsidized unit. That, again, is why we go back to where we were the other day and trying to get away from subsidizing bricks and mortar and getting into shelter programs.

While we're talking about the reduction of 21.5%, which is difficult, and there's no doubt about it. If anyone of us in this room took a 21.5% cut in your income, it would take you some time to adjust. Having said that, I also just to get on the record that the province of Ontario still has one of the finest social assistance programs in North America.

Mr Curling: I'll tell you something—

Hon Mr Leach: I don't think that you can deny that, Mr Curling.

Mr Curling: One, I wasn't arguing that. I'm talking about the individuals themselves, you see, who have now lost 21.6% of their income and were having difficult anyhow at that time—

Hon Mr Leach: Yes.

Mr Curling: —and I'm just saying that. I'm saying to you—

Hon Mr Leach: And I'm agreeing with you.

Mr Curling: —in your planning, it must have made it more difficult for you because they then have to take a larger step in which to access affordable housing later on

down the road, but if they have lost nearly 22% of that income, it is more difficult.

Hon Mr Leach: It is more difficult. They're going to have to adjust their spending habits to accommodate that reduction in the amount of money they have available. I agree 100% with you.

Mr Curling: Let me also go down to the building code, which I said to you in my response to your opening remarks, that it's a hell of a challenge that you have before you. But you said something beyond that. You said that you want to go back—I think to the 1970 standard, or something like that. I hope I heard you properly. You want to go back to basic—

Hon Mr Leach: No, I think what I said is that there will be an amendment to the building code coming out in 1997, and in that review I would like to go back to basics of the building code to ensure that it does what it was originally intended to do, and that's to provide health and safety standards for building across the province.

There's been many things that have crept into the building code over the last several decades that have been put in as standards that have driven the costs of housing up. As I mentioned to my colleague, when you look at the standards on an individual basis, you can't disagree that it's a good standard. But where the problem comes is should they all be in the building code or should they be standards that are provided to builders and say, "If you want to market your house with these standards in it, feel free to do so," but they won't be mandatory for every building across Ontario.

Mr Curling: One of the biggest things I find, the largest hurdle that the home buyer or owner, whatever you would want to name them, the problem they have is of warranties. They're making the largest purchase ever in their lifetime. They have the least warranty of all products that they buy. People are so elusive—and I commend your government for dealing with that same furnace problem that they had. It was very complex. It involved a lot, I take it it should be an eye-opener to other things to come, who can you nail on what product.

The concern though, Mr Minister, is that if the building code is reduced—or the standards will be reduced, as you said, taking away, as you call it, some of the unnecessary things, going back to what it was really intended for, and it may be reduced in a way that may not protect the owner. There are concerns over there who are expressing that concern. What assurance would you give us that they can rest assured that this will not be the case, that the product they'll buy will be warrantied and they will be protected and the government is their friend on this basis and they wouldn't have to take on the big developers, or the developers or subcontractors that are in there, because, as you know, it's very complex. If one goes in to talk about that the tile or the marble broke, you may hear it's not—you know what I mean, the different steps of contractors they reach till they exhaust their funds and time. Is there any reassurance you could give us that this would not be the case and government will be there to protect the consumer in this respect?

Hon Mr Leach: I think you've touched on two topics. One is the building code issue and the other is the home warranty issue. The home warranty issue is a program

that has been established by the building industry itself. It's self-funding. They insure it themselves. Most reputable builders belong to that. They pay premiums every year into this insurance program so that they can ensure that people they sell their houses to have recourse for—I don't want to say poor workmanship, but problems that arise during construction, so they can do it.

The second issue was the building code issue. What we want to do with the building code is to ensure that there are strong health and safety standards established that cover all buildings right across the province that everybody must comply with. What's happened over the last decade, and some of the issues that we talked about earlier, is there are standards that have crept into the building code which should really be optional construction standards rather than building code issues. I'm talking about the insulation program, for example, and some of the other energy-efficient type programs that have found themselves in the building code which should really be construction options. So when you're going out to purchase your home, or I'm going out to purchase my home, I could take a look at the standards of various levels of construction, and say I am prepared to pay \$200,000 for this house because it has X, Y and Z better construction methods in it than the house that's for sale for \$180,000, for example. But the one for \$180,000 would have to have the health and safety features that every home that's constructed in the province would have to have.

Mr Curling: I just want to make sure that regardless of what price you buy it it has the basic standards, and the basic standards are such that can be followed by the builders, enforced by the government and feel that they are protected, because too often that's the problem. As you know, and I don't want to jump all over the place, even when we had standards for the landlords to maintain their building, what the governments of the day didn't do was to give the money to the municipalities so that those enforcements can be done. So although some people complain about their buildings and the maintenance of their building, everybody just ignored it because the municipality had no money to enforce it. The fact is, too, that we may have laws that come into place and the government does not follow it up, and people have the largest amount of investment that they have put forward in their homes and the individual has a difficult time getting justice done.

Hon Mr Leach: I think what we're striving for is that we can reach and establish some policies, some procedures, a building code that would encourage builders of whatever type of accommodation we're talking about, whether it's apartments or condos or houses, to build a good product because they want to build a good product, not because there are government regulations that force them into doing something that they deem to be unnecessary for the establishment of a reasonable product. So they end up cutting corners and doing all kinds of things and then the government turns around and builds an administration that has to run around checking and searching and keeping track of things, which again drives up the cost even more. If you had basic standards where people could say, "I can understand this standard. I think

this is an acceptable standard. I can build a product that people will want to live in, and it will be safe and it will be healthy"—that's what we're striving for.

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Mr Curling: I'm going to ask you one more question, in regard again to the building code, and my colleague Mr Cleary will want to ask you some others. I presume you have been consulting, as you say, with the Ontario Home Builders' Association. Who else have you been talking to in that respect or consulting with?

Hon Mr Leach: Building code officials, the individuals who are given the responsibility to go out and inspect houses, to know where they're coming from. We've talked to homeowners' associations as well.

Mr Burns: There has been a short paper prepared, and I think it's been circulated to between 40 and 50 industry groups, professional associations and others involved in this field of the sort that the minister just characterized.

Ms Beaumont: In addition to those, the Ontario branch of the consumers' association and environmental groups etc. So it's a wide range of people with an interest in housing and in building generally.

Mr Curling: That is of reassurance on my part.

Mr Cleary: Having been a municipal politician for 15 years, 11 years at the head of a council, and I guess the minister knows, we've had a lot of housing projects come under us. As you know, many of those municipalities are not going to be around shortly, I guess. Many of them have 20 or more municipalities in them. They have a lot of concerns about their housing projects and they're really concerned about the lack of information they're getting from this government. There's no direction. They've had people down to speak to them on a number of occasions who didn't give them any guidance at all, and that's just a question that I'm asking you: When can they expect to be brought up to speed on the restructuring plans that may affect the local councils?

Hon Mr Leach: Immediately. I spoke to ROMA just last week.

Mr Cleary: I was there too and I know what they're asking.

Hon Mr Leach: We spoke to ROMA and indicated that our staff are available at all of our regional offices to go out and meet with them, provide whatever information they may require, answer any questions they have. We've got more than sufficient information available for them, and anybody who has any interest in restructuring, all they have to do is pick up the phone and call the regional and we'll be there in no time at all. Because we are anxious to get busy on the restructuring program to ensure that, again, municipalities and taxpayers are fairly represented and costs are kept at a minimum.

Mr Cleary: The municipalities are very concerned about their property taxes and the results of their transfer funds. I know in our area the transfers went between 20.4 and 28.5. Can you tell me how the municipality restructuring plan will help local councils avoid increasing property taxes to pay for these services?

Hon Mr Leach: They're going to have to operate more efficiently and we have indicated that to them. I think we started this process about last August when we had the first AMO conference. We indicated to them at

that time that they were going to have to reduce their costs by 40%-plus over the next two years. Most of them heeded that advice, have either started to look at restructuring plans or have looked at ways that they can reduce their costs by combining services with other municipalities, by having joint tenders, by doing a number of things that increase the efficiency of operating their municipality. I'm extremely pleased to hear from the last conference the number of municipalities that are going to be able to absorb the reduction in transfer payments and not have to have property tax increases.

Mr Cleary: I would have another question then. You say they're going to save money and all this, but with the cutbacks that municipalities are being asked to accept, is your government planning on at least moving up the date of municipal transfers? The municipalities that I represent were always concerned about when the transfer money came through to them; in many cases it was the end of June. With all this restructuring and cutbacks, will you commit to moving the date of the transfer up to at least April?

Hon Mr Leach: The date for transfers was April 15 in previous years. It was a decision of the Treasurer to change that transfer date to June. That's a decision that has been made by the Treasurer; I don't think there is any consideration being given at this time to changing it.

Mr Cleary: You're not going change it, being you're cutting them back. It's still going to be June.

Hon Mr Leach: That's the decision that has been made by the Treasurer. The number of payments has changed. I think it's gone to one—is it monthly now, starting in June? There was another formula, anyway, that started on April 15. But that decision has been made by the Treasurer and I don't anticipate that he intends to reverse that.

Mr Cleary: So they'll still be borrowing the money till June.

I know there's a lot of concern among elected officials and those who might stand for elected posts in the future about the personal liability section under Bill 26 in the event of losses. Can you explain to me how Bill 26 makes elected municipal officials personally more liable under Bill 26 than they were before?

Hon Mr Leach: Actually, they're not. The original Bill 26 had a clause in it that, on a restructuring by a municipality, if a local council took actions to dispose of assets or give extremely high wage increases or take any other actions that might not be in the best interests of a restructured municipality, the councillors could be held personally responsible for that. During the deliberations on Bill 26 there was an amendment put forward that took that clause out, so there is nothing in Bill 26 that added any increase to the liabilities that municipal councillors have.

Mr Cleary: Was that a government amendment?

Hon Mr Leach: Yes.

Mr Cleary: Okay. We didn't get a copy of the bill till just recently, so I haven't read it all yet.

Hon Mr Leach: It was made near the end of the public hearing process, but it was taken out of the legislation.

Mr Cleary: Will amalgamation mean that those financially sound municipalities, those with good reserves

and assets, will be lumped together with those municipalities that are not as financially viable?

Hon Mr Leach: Restructuring is going to be a local option. There are a number of townships, in various counties, for example, in many areas, that are looking at restructuring. Bill 26 has indicated that this government prefers them to work their restructuring proposals out among themselves. It would depend on what decisions they arrived at. If, for example, you had four townships that were looking at amalgamation and three of them agreed that amalgamation should take place, and the upper tier or the county also agreed that restructuring should take place, that it would be in the best interests of the majority of the municipalities and in the best interests of the majority of the taxpayers in that county, then that restructuring would take place whether the fourth one liked it or not.

To reverse that, if there were four municipalities and three of them felt that there was no benefit in restructuring and the fourth one did, the fourth one has the ability to request that the government undertake a review, to appoint a commission that would investigate very much along the way a municipal board review would take place. They would investigate the pros and cons of amalgamating the municipalities. If there was a strong business case put forward that says this would be in the best interests of the taxpayers of all of the municipalities, then it could take place. If it was determined not to be in the best interests of the taxpayers, then it would not take place.

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Mr Cleary: For example, if there were three municipalities, A, B and C, and A had good reserves and assets while B and C did not, will there be any protection under the amalgamation scheme that will ensure that A's reserves and assets will be directed to benefit the ratepayers in the municipality or will those benefits be spread over A, B and C?

Hon Mr Leach: That's part of the negotiating process between all of the municipalities involved. It also has to involve the upper tier as well. But that's what would be part of the negotiating process.

Mr Cleary: How much more time do I have?

The Vice-Chair: That's it. Thank you, Mr Cleary. Mr Bisson.

Hon Mr Leach: Are we back again?

Mr Bisson: How's it going, Al?

Hon Mr Leach: I know what we've got to do. We have to get together and arrange to get some fresh air in this building.

Mr Bisson: I'll tell you, we can arrange that just by opening the window behind you. We can arrange a demo to go by and just take care of that window. That's not funny actually; I shouldn't josh about that.

Listen, I want to make a deal with you, all right, on this rent control stuff?

Hon Mr Leach: All right. Let me see your hands first.

Mr Bisson: I'm keeping one under and one over.

The Vice-Chair: The last time we heard that was, you know, about 20 years ago, a deal between your parties.

Mr Bisson: Oh, I won't touch that one with a 10-foot pole. Listen, you've stated in this committee and you've

stated also in private to me in discussions that we've had—and we've been to-ing and fro-ing on this whole question of rent control. I think quite frankly that the government's going to have a problem trying to—obviously no problem, trying to pass it through the House because you've got a majority, but I think you'll have a certain amount of difficulty trying to convince a lot of people of the logic of what you're talking about.

If we agree that in rent control—the whole premise I understand you saying, and correct me if I'm wrong, is that the changes that you want to make to rent controls are predicated on the fact that you feel that construction is being hampered by the limits that are imposed by rent control. That's the biggest thing.

Hon Mr Leach: That and maintenance, yes; between the two of them.

Mr Bisson: If that's the case, I would argue strongly that changing rent control—and I think you've said this on this committee as well—ain't going to do it. If you were to go out there and just change rent control and do absolutely nothing else, do you think there would be one stick of new apartment buildings put up in the province of Ontario, if you just did the rent control?

Hon Mr Leach: No, I agree that rent control is only one of the issues that has to be reviewed; there are a number of others that we have talked about. I agree that rent control alone would not be the catalyst to generate new construction. However, it's the building industry that comes back to us, time and time again, saying that rent control is one of the important ingredients.

Mr Bisson: Let's explore that a little bit further. I think you've answered yes to my question, but I'm going to try it again. If you, as the minister responsible for housing issues in this province, were to say, "Our government's policy in order to spur the construction of new apartment buildings in the province of Ontario shall be the elimination of rent control," do you think that would result in the construction of a whole bunch of brand-new buildings?

Hon Mr Leach: It would if we—

Mr Bisson: No, no, I'm just saying on its own.

Hon Mr Leach: If we took other issues into consideration as well.

Hon Mr Leach: I think I said that—

Mr Bisson: Let me try this again, because I think you and I agree. I'm being very serious here.

Hon Mr Leach: You're not getting an argument out of me. I believe that we've agreed to this, that rent controls are one of the issues. It's not the only issue, but we want to look at all of the issues in a package. I don't think that you can cherry-pick; you know, "We'll pick this one out and we'll leave that one in and we won't touch this one and we'll touch that one and we'll whack this one harder." I think you have to look at all of the conditions that are having an effect on rental housing stock as a package.

Mr Bisson: But I would argue you're cherry-picking in the opposite direction here. If I was the Minister of Housing, and I'm just trying to imagine this—

Hon Mr Leach: You've really got to stretch your imagination for that one.

Mr Bisson: It's not all that far off. Jeez, the way I figure it, all we need is about an extra 40-odd seats or 50-odd seats, and that could very well happen. Who knows? We've been there before, you know.

I'm just saying, if I was Minister of Housing and you were in the opposition and I was to go to you with your knowledge of the rental business and your knowledge of the construction business and I said to you, "Al, I'm going to give you a deal that's going to spur all kinds of construction in this province. I'm eliminating rent control," I think you'd be the first ones up on my doorstep saying: "Hey, Gilles, this is not just about rent control. If you do this in isolation, it ain't going to result in dick."

Hon Mr Leach: Agreed.

Mr Bisson: All right. So then why do it?

Hon Mr Leach: Because you have to look at the whole package. There are about four or five issues that are going to provide the stimulus to create additional building. Rent control is one of them. But you can't take the four and say, "Okay, it's not rent control alone, so we won't do that; it's not Landlord and Tenant Act alone, so we won't touch that; it's not the rental protection act; we won't touch that; it's not the apartment tax, so we won't touch that," because if you look at them in isolation, I doubt that there's one single issue that's going to be the catalyst to get construction going. It's got to be a package.

Mr Bisson: What I'm prepared to do with you is to go back to my caucus, and I think I can get agreement that if you want to work on the question of trying to get new apartment buildings built in this province because you favour a private sector approach—and I understand that and I respect it; you have the right as a majority government to decide the policy of this province. I haven't got a difficulty with that. I respect the will of the people through democracy. But I have a bit of a problem the way you're going about it.

I'm saying if you want to go to private sector construction and increase that so that the private sector plays a more predominant role than it presently does in building those rental units at the lower scale, I'm prepared to go back to my caucus and say, "Listen, in exchange for not playing around with rent control and putting people in jeopardy"—because that's all this is going to get you—"we will work on all those other issues with you." We will work on the issue of the municipal tax, we will work on the GST issues, we will work with you on the questions of regulation, on the question of permits and fees. I'm more than prepared to go back and work on that, and I think it can be done.

This is where I'm going with this: If you did that at the Ministry of Housing, I think you would certainly have the support of my party. I can't speak for the Liberals, but I would imagine they're a pro-development party and I would take it that they would have no objection to that, and everybody would come out the winner. You would come out the winner as the government. The construction industry would come out the winner, because in the approach of your government, you want to see the private sector play a larger role. I think there's still a role to be played for the non-profit sector, but if you want for the next four years to give the private sector a larger role,

let's work in that direction. And tenants would win because they would not have their rent go in jeopardy.

Are you prepared to enter into those kinds of discussions? Because I think it can be done.

Hon Mr Leach: All of those things are vital, but there are even some more that you didn't mention, like the Landlord and Tenant Act, for example, and the residents' right act and the—

Mr Bisson: Can you speak up?

Hon Mr Leach: What's the issue that doesn't allow for the conversion of—

Mr Bisson: That's the housing protection act.

Hon Mr Leach: The Rental Housing Protection Act. You have to look at all of those as a package. All of the issues that you've just raised are valid and they're issues that are going to have to be addressed, in my opinion, if we're going to entice the private sector back. But so are all of the other issues that I've mentioned, and I don't think you can undertake a review of an issue that's as important as this one by putting some in and taking some out. I think all of those issues have to be on the table for review.

Mr Bisson: The problem I'm having is that the approach you're taking is a little bit like saying, "The patient's got to go in because he's got a problem with his appendix, but we're going to rip out his entire intestinal tract in order to get there." I really believe that you're coming at this from the premise that you want to involve the private sector. I can support you on that. I think the private sector—

Hon Mr Leach: I would take just the opposite tack. I think it's like going into the hospital and seeing that the guy's got a broken leg but he's in there to have his appendix out, so you take the appendix out and leave the leg broken.

Mr Bisson: No, I really disagree. I think where you're at here, the problem that you're getting into is that you're trying to deal with one problem that is legitimate, but in doing so you're going to put a whole bunch of people at risk by moving away from the present system of rent control in order to deal with the other issue.

We can sit here and we can have this debate for the rest of the week, but the point is that I don't think you can argue with me that tenants will be put at risk of having their rents go up as a result of trying to deal with appeasing one sector of our society, which is developers and landlords. I don't think that's fair.

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Hon Mr Leach: No. I mean, we're not in this to—landlords and developers are there to build buildings to rent to people. They're not there to build buildings that are going to be sitting there empty.

Again, I think that I have to keep repeating, and I wish that this would catch hold someplace, that we have indicated time and time and time again that we don't intend to do anything with the current rent control system until we're satisfied that we have a tenants' protection act in place. What I would implore your party to do would be to work with us to ensure that we develop a package that does provide tenant protection, because the existing system that we have in place right now has too many flaws.

Mr Bisson: Listen, I haven't—

Hon Mr Leach: Even my good friend Mr Curling here agrees with that.

Mr Bisson: We'll move into that issue in a couple of minutes. I have no difficulty working with the government if your aim is to try to figure out a way to bring the private sector into constructing more units. I think that's doable, but I ain't going to work with you if as a result of that we're going to put up three and a half million tenants in this province as pawns in that game. I think that's really dangerous.

Hon Mr Leach: They're not being pawns in a game. Look, I don't know how many tenants you have in your riding, but 80% of mine are tenants, and no, I'm not going to be taking any actions that are going to be detrimental to 80% of the people in my riding. Let's be real here. But I do know that the current system that's there doesn't work. It's not good for tenants; it's not good for landlords. It has to be replaced.

You come with me after this and we'll go over to the corner of Parliament and Wellesley. I'll show you a prime example of what I mean, where this current rent control system has caused good landlords to get out of the business and have them taken over by less than good landlords, for the sake of liability, where they're cutting corners now. They're making a buck on those buildings but they're doing it to the detriment of the tenants that you want to protect. Those people every day are putting up with stuff that nobody should have to put up with because we've got a system in here that forces landlords to cut corners, do things that create all kinds of problems for tenants, and we've just got to do something to fix it.

Mr Bisson: Your approach is like trying to fix this with a sledgehammer. Listen, I've been in your riding on a number of occasions because I've been invited, as you well know, as the critic for Housing issues—

Hon Mr Leach: Where is your riding, by the way?

Mr Bisson: My riding's up in a place called Cochrane South: Timmins. But I've been invited to your riding a number of times to tenants' organizations in your riding: St James Place, Regent Park.

Hon Mr Leach: St James Town.

Mr Bisson: St James Town; pardon me. I do come from Timmins. In all of these various meetings that I've had with your tenants, nobody has said to me in your riding that rent control is broken. What they're concerned about is their member, the MPP for that riding, who is the Minister of Housing, doing away with rent control. That's one of their big issues.

The other issue they're concerned about, depending on where they live, is the government's policy on the abandonment or the privatization of non-profit housing. That's the other concern. At no time have I had—

Hon Mr Leach: Well—

Mr Bisson: Just one second. At no time have I had anybody in your riding or anybody else in a riding in this province come to me as the critic and say: "I think the present system of rent control doesn't work. I am a tenant and I can tell you why." I've had nobody from the construction industry come in and say, "If you just do rent control on its own and you dismantle it, it will fix all of the problems in the system." That's never been the case.

Hon Mr Leach: Let me—

Mr Bisson: You'll get a chance, sir. The only thing I want to say is that you're saying that the system is broken. You're talking about how you want to get into some sort of a consultation and review process. What consists of the review process that you're going through now in regard to rent control? What kind of mechanism do you have in place in order to take a look at all of this? If that's your householder, I've already got it.

Hon Mr Leach: No, this is your householder. I wonder why tenants become concerned about rent control. I'll tell you why they become concerned. It's because people like you get over there and start fear-mongering, saying, "Do you want rent increases of 20%, 30%, 40% or more?"

Mr Bisson: That's right.

Hon Mr Leach: You should be ashamed of yourself for passing around information like that.

Mr Bisson: Not at all. You should be ashamed, as the Minister of Housing—

Hon Mr Leach: By the way, that's a good picture. That's a very concerned tenant. It's a good picture of your executive assistant.

Interjection: The truth hurts, don't it?

Mr Bisson: But Al, seriously, listen. I know one thing, being in government before. When you're smarted, you normally react in that way. We are, as critics in this party and as critics in the opposition, out there talking about issues because there are people who are concerned and are opposed to the action that your government is taking.

Hon Mr Leach: And you have sat with me and we have talked and I have repeated time and time again in the Legislature and in this committee room and in the press and in the media that we're not doing anything with rent controls until such time as we have a system that provides protection for tenants. And then you walk out and start going over to people who are very vulnerable, who have concerns. You get over there and you start fear-mongering with this garbage that absolutely creates—

Mr Bisson: Oh, Al.

Hon Mr Leach: I mean, you're doing a disservice to them. You really get them upset and it's really shameful that you've got to take that type of action just for political points, believe me.

Mr Bisson: Very good. Now that you've had your say, I can tell you wholeheartedly, because I've been on both sides of the House, first of all in government, the Conservative Party was very good at going out there and raising issues that they thought were important for their caucus and they thought that people in Ontario were in sync with and went out and did the exact kind of thing. It's called going out and informing the public about what a government is doing. You can't sit here as the Minister of Housing—

Hon Mr Leach: Not when you're planting fears in our most vulnerable part of society.

Mr Bisson: You cannot sit here and try to give me assurance, and if you can do it, I would very much like to see you—

Hon Mr Leach: How many times do I have to repeat it, that I said that we would not do anything that was detrimental to tenants?

Mr Bisson: —guarantee people that their rents are not going to go up because of your actions. Will the rents go up because of your actions? Is that a possibility?

Hon Mr Leach: Did I tell you time and time again that we were going to have a program that will ensure tenants are protected?

Mr Bisson: The question is, can you sit here and guarantee to the tenants of this province that as a result of your actions of moving out of rent control, their rents will not go up? Yes or no?

Hon Mr Leach: Can you tell me that under your rent control program, rents didn't go up? Rents went up every year you were in power, every year.

Mr Bisson: According to a cap. The rents went up according to a cap.

Hon Mr Leach: In fact, the smallest increase that tenants had was this year when we came into power.

Mr Bisson: There was an absolute cap. Can you provide assurance to the tenants of this province that you will have an absolute cap on the amount that rents are able to go up?

Hon Mr Leach: I can absolutely assure them that we're not going around saying that rents are going up 40% or more.

Mr Bisson: Can you guarantee me that won't happen? Are you willing to guarantee that won't happen?

Hon Mr Leach: The only instance where I can give you an example of where rents jumped up by 40%, it happened to a woman in my riding who came in to see me in tears, didn't know what to do. She had rented an apartment at \$600 a month. She walked in. After three months, the landlord walked in and said, "Your rent's \$900." She was devastated. She didn't know what to do. You know why? Because the Rent Control Act ceiling was \$900. They sucked them in by saying: "Here's a low-ball rent." Get 'em in the door, get 'em moved, have them undertake all those expenses. Get 'em in a position and say, "Gotcha." That's what's wrong with this system.

Mr Bisson: There's a cap on the current rent control system. You know that as well as I do.

Hon Mr Leach: It is not.

Mr Bisson: You're the minister responsible for—

Hon Mr Leach: The \$900 was the amount of rent that was eligible under the Rent Control Act. You could charge any amount underneath that.

Mr Bisson: Al, let's try it this way. Let's come at it from the other way. Over the last couple of years in regard to rental increases that have occurred in this province under the current system of rent control, what would be the percentage of people who had their rent go up more than above the guidelines that were set out in the legislation? What's the percentage?

Hon Mr Leach: Let me turn it around the other way. I know that there are 40% of them who are paying less than the maximum rent.

Mr Bisson: Under our guidelines, yes, but how many of them have gone over the guidelines?

Hon Mr Leach: That's what's called letting the marketplace determine what will take place.

Mr Bisson: Minister, I'm asking you a very simple question. Can somebody from your ministry provide me with the percentage of rents that were increased above the

accepted guidelines over the last two years? You're telling me about horror stories out there. Let's talk fact. What is it?

Hon Mr Leach: I'm talking about fearmongering.

Mr Bisson: What's the percentage: 50%, 60%? Or is it 80%?

Mr Bob Glass: Minister, we can provide information on the number of applications we've received for above-guideline increases.

Mr Bisson: And how many of them resulted in—

Hon Mr Leach: Do you want to introduce yourself, please.

Mr Glass: Bob Glass, director of rent control. Since we've started in the program, we've received about 1,500 applications involving 84,000 units from landlords requesting increases above the guideline. The average increase as a result of those orders to date has been 6.39%. That's over the last three years, approximately.

Mr Bisson: And of the total rents that were charged in the province of Ontario within the entire rental housing stock, what is the percentage of rents that were increased above the accepted guidelines?

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Ms Beaumont: Can I just add one thing to what Bob had initially said? The numbers Bob gave you were the increases applied for to the system. What we can't give you is the information on what kinds of increases took place to raise rents from what was an actual rent up through that gap between actual and maximum, and that allows you bigger increases.

Mr Bisson: But where this is leading, Minister, is that you cannot sit here today and tell me and the tenants of this province—you're trying to make the case that there's a big crisis in the rental housing industry and all kinds of exorbitant rents are being charged under the present system of rent control, but your people from the ministry can't provide me with the figure, of the 3.5 million people in the rent control system today, whatever number of units that is, how many of those units under the current rent control system have had rent increases above the guidelines as prescribed under the act. Quite frankly, the system works. That's why they can't provide the number. There are far fewer examples of that happening than you're trying to make us believe. That's what it comes down to.

Ms Beaumont: One of the things we can tell you is something about the number of instances where there is a significant gap between the actual rent charged and the maximum rent allowable. If you look at those units where the maximum rent is \$1,200 a month, about 90% of the rents charged in those units are at least \$100 less than the maximum rent.

Mr Bisson: Can I ask the clerk of the committee, Mr Chair, if we can have that information tabled to the committee, all the information they're referring to. But I want to get back to the minister with a simple question.

The Vice-Chair: Just a moment, Mr Bisson. Let me ask if that would be possible.

Mr Bisson: It's public information. We used to get reports every year in government, so I imagine they're still available.

The Vice-Chair: That's fine. I just wanted to make sure there were no comments.

Mr Bisson: I want to go back to the minister and ask this simple question: Can you guarantee under your new system that you will not allow rents to go above a certain cap? Are you going to take the cap out of the system?

Hon Mr Leach: Yes, I can guarantee they wouldn't go above a certain cap.

Mr Bisson: So you're going to keep the cap in the system. That's going to be the basis of a new rent control.

Hon Mr Leach: I thought I answered your question. You said, could I guarantee that they wouldn't go above a certain cap? Yes, I can guarantee they won't go above a certain cap.

Mr Bisson: Do you have any idea what your cap would look like?

Hon Mr Leach: Not at this time.

Mr Bisson: What's the level? We have a cap now that's set within the rent control legislation. Would that amount be higher?

Hon Mr Leach: Any cap we did impose, if we had to impose a cap, and I certainly hope we wouldn't have to, would ensure that tenants were protected, which is what we have been saying all along.

Mr Bisson: Are you trying to tell me that rents would not go any higher than they are allowed to go under the present system?

Hon Mr Leach: I thought your question was, would I guarantee that—

Mr Bisson: You're skating a bit. I understand your job as a minister—you have to sell the bill of goods—but I'm asking a simple question. You have a rent control system today that says there is a specific cap on how much rents can go up in Ontario. My question simply is, are tenants going to be worse off or better off when it comes to the amount of rent they pay under your system?

Hon Mr Leach: If I had asked you that same question five years ago, "Do you have any intention of raising the rents in Regent Park by 25%?" do you think you would have answered it?

Mr Bisson: Yes, I would have.

Hon Mr Leach: You would have said, "Yes, we're going to go out and raise the rents of the poorest tenants in our entire society by 25%"

Mr Bisson: Yes, and I faced the tenants in my riding who lived in non-profits, all of them, and went to their tenants' meeting and told them so. All I'm asking you to do is come clean and tell me, will tenants be worse off or are they going to be better off under the new system? Will they pay more rent or will they pay less? It's as simple as that. Will my rent go up under your system more than it would under the present system?

Hon Mr Leach: Tenants will be far better off.

Mr Bisson: How?

Hon Mr Leach: Tenants will be better off because they'll have greater choice of accommodation, they'll have better-maintained buildings—

Mr Bisson: They get choice of accommodation now. What does that have to do with rent control?

Hon Mr Leach: Rent control is creating a situation where the maintenance of buildings is deteriorating.

There's absolutely no choice of accommodation anywhere in the province.

Mr Bisson: No, no. Listen, you're skating on this. I'm trying to get a simple answer to a question.

Hon Mr Leach: What you're saying is, "Are you still beating your wife?" I know.

Mr Bisson: You have now a system of rent control that has an absolute limit on how much your rent is able to go up. Are you able to guarantee that under your system, tenants will be no worse off when it comes to the amount rent will be allowed to be raised—in other words, that you're not going to change the cap system?

Hon Mr Leach: By the way, are you still beating your wife?

Mr Bisson: Eh?

Hon Mr Leach: I just wanted a simple yes or no: Are you still beating your wife?

Mr Bisson: Never did. It's a simple answer.

Hon Mr Leach: Well it's that kind of—

Mr Bisson: No, it isn't.

The Vice-Chair: Order. Far be it from me to get in the middle of a slanging match, but—

Mr Bisson: That's your job as Chair. That's what we pay you for.

The Vice-Chair: It's the only time I'm relevant around here, I know, and I wake myself up every once in a while. But let me just settle this down a bit. I don't think we should get personal at all.

Mr Bisson: I didn't take his question personally.

The Vice-Chair: That's fine. I just wanted to warn you not to descend to that level of personal diatribe. Let's try to not do that.

Hon Mr Leach: The intent, Mr Chairman, was to indicate that the question that was being asked can't be answered.

Mr Bisson: What do you mean you can't answer? You're the Minister of Housing. It's very simple. You are telling the people in the province right now that you plan on reviewing the system of rent control and replacing it with another system. True or false?

Hon Mr Leach: That's true.

Mr Bisson: All right, and that begs one question. Under this new system, whenever we get to it, are you going to guarantee that tenants are going to be no worse off than they would be with the absolute limit imposed by the cap now?

Hon Mr Leach: I am saying that tenants will be better off. They'll be better off because they're going to have more choice of accommodation.

Mr Bisson: Are they going to pay 5% more, 10% more, 20% more than now?

Hon Mr Leach: The question you have to ask is, would a tenant be prepared to pay 5% more, or whatever the number is, to have better accommodation, better maintenance, all that? You're telling me that people would rather live in something that is run-down, poorly maintained, lights out, all that type of stuff, rather than have a system that provides them with appropriate accommodation. I don't think so.

Mr Bisson: That's not what's being said. How much time on the clock left, Chair?

The Vice-Chair: You have very limited time. Four minutes.

Mr James J. Bradley (St Catharines): Ask him more rent control questions. I want to send this Hansard back to the renters in St Catharines.

Mr Bisson: To come back at it, you're the Minister of Housing. The buck stops here. That's what Harry Truman said, right? You're the minister, you're the guy going out and making the changes to the rent control system. I've been asking you the same question over and over again for the last 20 minutes. It seems to me it's a fairly simply answer. If a tenant today is paying a certain amount for rent, and you don't change the rent control system, five years from now there's a limit to the increases that tenant will pay for that unit, based on the present system of rent control. If you change the system to what you envision, will that tenant end up paying more rent or less rent or the same?

Hon Mr Leach: I don't know yet. As I said, we're still working on the procedures that say we're going to have a package that provides protection to tenants. That program is still under review. I know what the existing one does, and I know its limitations. In my opinion, it doesn't work, and I'll continue to say that it doesn't work. If you take a look around at the rental accommodation in my riding, you would see why it doesn't work.

Mr Bisson: A lot of people wouldn't agree with you on that point. Listen, I'll make the offer one more time, and I'm very genuine about this. I'm sure we can get an agreement in the House. If you want to deal with the question of how we build new units in this province, we can come to terms with that, and I think everybody can come out the winner, including you as minister. But if part of the deal is putting all these tenants at risk by doing away with the present system of rent control that puts in place an absolute cap, there's a real problem.

Hon Mr Leach: What you're telling me is that the rent control system we have in place at present is absolutely perfect. I don't think it is.

Mr Bisson: Nothing is absolutely perfect, but it's a heck of a lot better than what you're trying to sell people now.

Hon Mr Leach: So if it's not perfect, you wouldn't agree with me that perhaps we should take a look at it to see if it can be improved? Do you think it could be improved?

Mr Bisson: It can always be improved, but the difference is simply this—

Hon Mr Leach: If it can be improved, do you not think it's worthwhile that we should take a look at it?

Mr Bisson: Listen, the difference here is this: When the Conservative government—

The Vice-Chair: Hansard is having a hard time keeping up.

Mr Bisson: I'm done here. It's because he and I feel passionately about this issue, don't we, Al?

Hon Mr Leach: Yes.

Mr Bisson: When the Conservative government introduced legislation to bring in rental control in this province, every government since then has worked to make the legislation better. All right?

Hon Mr Leach: Yes, that's what we want.

Mr Bisson: The problem we're having with you is that you, in your own words before this committee and in questions before the media—and I would like to go back and look at Hansards in the House; you might have said the same thing—are talking about returning rent controls back, not to where we had it when we came to power, not back to what the Liberals inherited when they came to power, but pulling it all the way back to before what Bill Davis brought in.

If that's the game, the renters in this province aren't interested. That's why we're concerned. That's why, as the critic responsible for housing issues for my party, I will go out and tell people what you're up to. I will tell them to contact all your backbenchers to make sure they understand that this is a game people don't want to play. I make absolutely no apologies for that because that, my friend, is my job.

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But if you want to work with us to fix the question of new units in this province, I say it can be done without delving into rent control the way you want to go. If you're prepared to do that, we will work with you and tenants in this province will work with you and I think we will all come out ahead in the end. But don't put the tenants of this province as the sacrificial lambs in this exercise to satisfy a few people in the development industry and a few people who happen to be the landlords who will benefit out of this.

Hon Mr Leach: I absolutely agree with you that you should be out there doing your job and making sure that people have the right information. But to go out there and spread information that you know is not correct is just uncalled for.

Mr Bisson: But you're telling me right here in this committee—

Hon Mr Leach: Look, you get A for talking. Try listening for a bit. You might hear a little. You're going out there and you have absolutely nothing whatsoever to substantiate that information—nothing whatsoever. You've gone out to the most vulnerable people in our society and have scared them to death.

Mr Bisson: You're doing a pretty good job of that on your own. Can you deny what's in that pamphlet?

Hon Mr Leach: You have gone out there and the people who—

Mr Bisson: Can you deny that what's in that pamphlet cannot happen under your system?

Hon Mr Leach: —are paying 30% and 40% and 50% of their incomes in rent—

Mr Bisson: Are you guaranteeing—

Hon Mr Leach: Try listening. How many times do we have to do this?

Mr Bisson: I'm listening.

Hon Mr Leach: It's question and answer. You've asked a question.

The Vice-Chair: I think we've listened long enough. Next. The Tories.

Mr Kells: I've enjoyed the dialogue. I don't know if the minister's enjoyed it as much as I have. My first subject was going to be rent control, Minister, but I think I'll give that a rest for a bit.

But I might say a couple of things about rent control, historically. I happened to work here when it was first introduced in 1975. I was a member when it was improved because of the flip situation, and in my exile as a non-MPP, the Liberals appointed me to the Rent Review Hearings Board, so I have a bit of a feel for this game of rent review and rent control. I might tell you that it's two different subjects, and with all due respect to the honourable member, we should not mix them up.

At the time that the rent review hearings act was passed, it was a collaboration between the Liberals and the NDP, part of their agreement. They put together the rent review hearings act, which was the most complicated, unworkable act ever devised in the history of this place. Even with the agreement between the NDP and the Liberals, on the night of passing that act 54 amendments were put in overnight.

Mr Bisson: It sounds like Bill 26.

Mr Kells: No, with all due respect to the honourable member, it was a doublecross of the Liberals on the NDP. It ended up being, unfortunately, an act that was very beneficial to the landlord. I do know, because I represented that industry after. I said to that industry, "You were much too clever and it cost you dearly," because, lo and behold, when the NDP won in 1990, they went to a harsh Rent Control Act. They went right back and by and large revoked most of the rent review hearings act. Those 33% and 40% increases came out of the rent review hearings act.

I know. I had to listen to those people, and we had to apply those huge increases based on the terms of those acts and a bunch of regulations that were so complicated, nobody could figure them out. In some cases, it was 67%, and we arbitrarily just took them and reduced them so they wouldn't be so ridiculous. That was the rent review hearings act, and that came out of a combination arrangement between the Liberals and the NDP, doublecrossed by the Liberals at the last minute.

Okay, we can live with that, but we should not mix that up with rent control. Rent control, as the NDP changed it, was very precise. There still was a rent review hearings act with certain limitations and certain things you could do, certain things left over from the past. But by and large, rent control with prescribed increases is something the public understands, politicians understand, and it works to a certain degree.

Now, let me tell you, as somebody who represented the development industry and the rent management industry, right now there isn't anybody in that industry who isn't happy with rent control. You've got guaranteed increases. We have a market that was terrible for the first quarter of the 1990s and now might be a little better, but by and large, the landlord was not the guy wanting to change rent control. Somebody who wants to take rent control off now is an investor. The problem with what you're asking, Gilles, is that no investor wants to build in this province if he doesn't have some guarantee that over a prescribed period of time he's going to at least have an opportunity of getting a return on his investment.

If your question to the minister is, can we get together as a group—the opposition parties, the government, the industry—talk about offshore investments, talk about

anybody, then I think the answer probably is yes. I do believe the minister understands that most of us dealt with this subject at election time. I know he has a great number of renters in his riding, mine are 50%, so it is not a subject that many of us treat lightly. It seems to me that I hear the minister clearly. He says, in anything I've ever read or understood him to say in person, that the system's broke. I agree with that. Nobody's going to build private housing. We can't afford to build it for the public, so somebody has to build it. We have to come up with a new system. All I've ever heard the minister say is that we will, as a government, tackle the problem of how to get rental accommodation built. At the same time as we're attacking that problem, we have to guarantee that nobody is going to be arbitrarily, because of rent increases, shoved out of their homes.

I remember way back 15 years ago, when we debated the same subject, the problem was, are we going to put somebody out on the street? That is still a problem today, and I think it's within our ability to solve that. In all due respect, you can have those one-on-ones with the minister all you want—

Mr Curling: You should explain where the Liberals betrayed the NDP.

Mr Kells: Well, you did.

Mr Curling: What are you talking about, Morley?

Mr Kells: You did. You were the minister at the time.

Mr Curling: Do you know what you're talking about?

Mr Kells: Oh yes, I know exactly what I'm talking about. Could you explain the rent review hearings act? You were the minister and you didn't understand it.

On my time, I'd like to move on to a couple of other subjects.

Mr Curling: You got a job out of it, though.

Mr Kells: Listen, history has all the facts. You can't change it.

I'd like to talk just a bit about Ataratiri. It's another one. I don't want to embarrass my Liberal friends, but it did come up the pike from the current mayor of Toronto at the time, who was very obvious about his Liberal leanings and has gone on to greater fame. It was an arrangement made with the current Liberal government of the day. As you know, there was \$350 million-plus spent on Ataratiri. The deputy minister knows this subject probably better than I, or at least as well as I. There we have \$350 million of money spent, jobs lost, forcing industries to leave that area at the same time that the same government's Ministry of the Environment was bringing on—Mr Bradley used to be here; he was the minister of the day—bringing on reasons why that land couldn't be used for housing.

As I recall, and I have my papers on it, I came down to see Ross McClellan, when the NDP had taken over the government, who was the man behind the scenes of the NDP, and I showed him the industry figures that we had presented to city hall. I said: "Mr McClellan, speaking for the industry, there's no doubt where I'm coming from. We, the industry, look at this as a position that is just not commercially viable. Besides the \$350 million, you're looking at a potential of \$1 billion in loss." To the credit of Mr McClellan, who eventually passed the information on to the cabinet of the day, Ataratiri was put on hold.

The only reason I mention it is because it's still carried, in the government's books, as a huge loss. Not only do you have \$350 million-plus, maybe heading on to \$400 million, already spent; you might have somewhat lessening environmental demands on the land, but there is no future direction for the land—except if you read Crombie's report for the city of Toronto, which simply says that other uses could be visualized and they could work their way around the flooding potential and the environmental hazards.

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It's in your estimates, but I mention it as a warning to our own government of the extremes that can be reached as we search for solutions to housing. It's supposed to be a solution to a housing problem in the heart of Toronto, and because it was misdirected because the economics were not known, because even the most greedy developer never got his hands on Ataratiri, we've taken the public down the street one more time.

I'd just like to make one more comparison before I leave Ataratiri. We spent—the Liberal government of the day and the mayor of Toronto—\$350 million in collaboration and it turned out to be the province that took the huge brunt. At the same time, the Ontario Jockey Club tried to sell similar-size land, better located, better potential, and sold that same land—they actually never got the money because that deal was thwarted because of environmental concerns—for \$35 million. So you're looking at government intervention into the private marketplace—\$350 million. It took manufacturing jobs out. You have the Greenwood Raceway, \$35 million, and now I understand on the second go-round they sold it for considerably less; we're down to maybe \$20, \$25 million.

It is hard to comprehend an economic situation where governments can so overly spend, get involved in the marketplace, even confuse the fact that one ministry says, "You can't do it," while at the same time we're spending huge wads of government money. Gilles does not want our government to duck the issues of the day, but I just want it on the record one more time how this current issue that's sitting with the Ministry of Housing came about. It came about from a huge, misdirected desire to provide public housing in the city of Toronto.

I also want to talk about Cornell. We've been at Cornell for quite a while. I think it wouldn't be a bad thing if it was put on the record how much has been spent on Cornell to date. I know you brought in design experts from around North America. I know that the private industry is keenly interested in Cornell. I guess the question is, when might we ever see any action on Cornell? Then I'd like to ask you about Seaton, if I may.

Mr Burns: Cornell was acquired in 1972 as part of the land assembly made by the province at that time in anticipation of an international airport. I don't know what part to assign to Cornell. The total acquisition cost was in the order of \$350 million. It was written off some time in the late 1970s. So the acquisition's carried on the books of the province at nil.

Over the past five years, as you said in your remarks, the province has worked with the town of Markham and with other people, principally with the town of Markham, to get the planning approvals in place. There's now a

general amendment to the Markham plan that provides for urban expansion as a secondary plan for that district, and the first subdivision is somewhere in the approval process. That five-year effort—just the last three years of it have been carried and will be retired when the revenue from the sale comes in. Have you got the actual number, Dino? It's in the order of \$2.5 million.

Mr Chiesa: I'll get it in a second.

Mr Burns: We'll get the exact number in a second. The cabinet looked at a number of provincial land holdings last fall and Minister Johnson announced, I think in late November, that we would move quickly to the point of being able to sell Cornell in its current state of approvals. Realty Corp and the Ministry of Housing are in effect kind of partners in this operation in a work team. The request for proposals for a consultant to work with us on the disposal process was put out, the reviews have been done and that firm is on board. The next stages of seeking and evaluating private proposals will be under way in the next couple of months. I expect that we will be looking at options for proceeding in May, June, maybe July, somewhere in that period of time, to dispose in some way or another of the Cornell land assembly.

Mr Kells: I think the operative word or description is 1972. You also recall that there were more acres involved in those days.

Mr Burns: Yes, 20,000. This is 1,000 arpents.

Mr Kells: The other piece of that was called North Pickering under the Liberal regime and it's now called Seaton. I guess my point again is that when governments start to get involved in large land assemblies, then we start to wander into territory which is a bit difficult and a bit risky for us.

I don't have to tell you that the real estate industry is less than 50% of what it used to be. A lot of proud corporations are gone. The difference is that governments aren't gone; they change, but the costs are absorbed by the taxpayers. I suspect that if we added up the cost of Markham and the cost of Norfolk-Haldimand, which the Conservative government has to take all the blame for—and even the assembly of the acres around the projected airport, we, the old Conservative government, have to take the blame for.

Then in 1985, and particularly at the beginning of 1987, when times were good, there was a very good, sound organizational structure put in place called the North Pickering whatever and they pulled in industry. A chap by the name of Tom Zizys, who worked for the Liberal government, had a very good plan, and the idea was to get on with it.

I don't know whether it's just market pressures or whatever, but the frustrating part is that the industry did sit down. There was good municipal participation; the province had a plan. That was around 1990, and here we are in 1996. I wouldn't know how many bucks have been spent on that North Pickering situation. It was cut cold by the NDP when they came in. But again, nothing's happened there.

At the same time, that has had a very strong impact on what else has taken place in the region of Durham and in the region of York. There's the big pipe and there's everybody having demands on the pipe. So I guess it

reinforces my concern of when government gets into the marketplace. I believe in a society, surprisingly enough, that doesn't remove government from everything. Surprisingly enough, as I said, I used to be a right-winger in the Davis government. I'm a moderate now. It seems to me that government has a role.

The Vice-Chair: Perspectives change.

Mr Kells: Yes. Well, times change. I guess all I want to have on the record is that here we are now, we now have all this experience behind us. We've written off the \$350 million down here at Ataratiri and we might be able to get some of that back; we've written off the \$350 million involved in Cornell. I don't know what the figure is and what we've got in leases for the land farther out. But if we're going to come into all the problems involved in Golden and governance and taxation, we're still dealing with all this raw land that's in the hands of the government.

Somehow it seems to me—it's only my concerns that I can pass on—that yes, rent control is one thing, but it's all impacted by the industry. The industry will always try to make a profit, but government's got to be there to balance industry desires and the common good of the public at large. I'm not too sure, as we sit here in 1996, that even with all the well-intentioned policies of the three different governments, the three different parties, the public has been well served. I guess my concern, in bringing it up, is that I simply hope we have the opportunity now, with the interest rates the way they are, the marketplace the way it is, to not panic, to approach rent control, to approach these huge assemblies of land, to approach bringing in the private side, bringing in our friends in the opposition. Maybe we could get a housing construction industry that works out to the benefit of all. That's my point. Thanks for the opportunity of saying it.

Hon Mr Leach: Cornell I think is going to start shortly, this spring. You'll see shovels in the ground and at long last we'll start to recoup some of the taxpayers' money that has gone into that project. There have been arrangements made to get a secondary plan on Seaton, and again I think in the not-too-distant future you'll see some of the taxpayers' dollars that have been invested in that project starting to be recouped.

1530

On Ataratiri, we took a bath for \$350 million. I haven't given up hope that we will eventually develop that property into something that will benefit the community. I certainly hope so. It's in my riding and I know that it cost hundreds, if not thousands of jobs for the people who live in those non-profit housing complexes that we talk about, and those were actions that were taken—I'm not saying this to throw blame—that really hurt a community. It took people where there were some out-of-work—most of the industry that was down there was light industry, blue-collar work, and it took thousands of jobs and just put them all on to the street and most of them on to social assistance.

I guess the point of the exercise, and I concur with my colleague, is that government should stay the hell out of the land business. You've indicated three or four that have been absolute disasters. I was trying to think of one that has been successful and while you were speaking I

couldn't come up with any. What we're really saying is that we should let the private sector do what the private sector does best, and that's in the housing and building and land development business.

Mr Kells: I appreciate your comments, Minister. I wouldn't like to mix up apples and oranges, but just next door we have another bill. It's almost like the difference between an orange and a grapefruit. Here we are talking about rent controls, land assembly, non-profit housing, public housing, and all those things that are vital to society today. At the same time, the industry I used to represent had two major problems and they're both encapsulated in Bill 20. Those problems surround two things.

In the old days, when the world was bursting and commercially viable and everybody was making money without seeming to have too much effort except just bank-backing, we had a big worry about getting approvals through. Land approvals and the delay were the big problems holding back this huge demand, so we almost seemed to overrun the system.

Again, I'm not picking on the Liberal government of the day. It just happened in their time. It would have happened to any government. The municipalities couldn't handle demands. When the NDP changed that, the whole thing just stopped. Problem one that the industry always faced to try and meet all these problems we're talking about was getting their approvals through without driving up the cost of housing greater than it had to be.

The second problem was that municipalities have to pay for all these things, and the opponents of all this will tell you what a huge advantage homeowners get because you have to put in roads, you have to put in sewers, you have to put in schools etc. So we came to the era of development charges and indeed educational levies, whether legal or not.

As we talk about the things we're talking about here today, they have to be resolved at the same time as you're looking at development charges, soft and hard, education levies, if they're legal, or some way of paying for education, some way to pay for growth. On top of all that, you have to worry about the economic welfare, jobs etc.

I can maybe describe the problem to you; the mystery is to come up with the answer. As we're talking about our estimates today here, it's difficult to talk in terms of rent control if you don't look at the big picture. I think the best thing we can do as elected people is to try once and for all, even though we'll have disputes all the way through, to look at this big picture in light of who pays, why, who receives the benefit and should they, and how everybody's paid so that everybody in society at least gets an equal chance.

I understand privileges and I understand rights. Our government in the old days said that housing's a right. If housing is the biggest issue in here, then taking all those other elements into consideration, providing that housing is something that I think is the big challenge for our government. If Gilles is really serious, and I think down deep he probably is, this within reason could be debated in the Legislature and we could resolve it. I think it's well within our means, but we don't need more history on this. All the history you could ever want is out there.

There isn't a country in the world, there isn't a so-called successful or unsuccessful real estate company that hasn't learned the lesson of financing land speculation. It's with us forever.

In our little world of 10 million people, and bring it on down to the—I hate to use the word “GTA” because it's unpopular, but bring it down to a focus in the GTA, I think we have the expertise, I think we have the practical knowledge, I think we have the experience, and I think it can be done. I do think that over there in Bill 20 and over here it's within our ability to get this whole thing resolved.

You'd agree with that, wouldn't you, Gilles? You agree with, don't you?

Mr Bisson: As long as you don't put up tenements that—

Mr Kells: Throughout, you asked the minister to give you some kind of guarantee. I can't speak for the minister, but I think it's possibly within our ability to come up with some system that doesn't work in a detrimental way to any tenant, by and large.

The Vice-Chair: You have about five minutes left. Why don't you take that and then we'll take a 10-minute break.

Mrs Ross: Sure. I certainly don't have the expertise that my friend Morley Kells has in housing, so I'd like to ask—

Interjections.

Mr Bisson: Don't sell yourself short.

Mrs Ross: I'd like to ask a question. Public housing and non-profit housing: I'm a little confused about that. Can you please explain to me the difference between the two?

Mr Burns: Do you want me to do that?

Hon Mr Leach: Yes, a five-minute answer.

Interjections.

Hon Mr Leach: That's because he's got a 20-minute answer.

Mr Burns: Yes, that's right. I'll pause, because I was about to give the 20-minute one.

In 1964, National Housing Act amendments, the federal government offered to finance provinces that wanted to build social housing on a particular model. The model was 100% rent geared to income and there was quite a large amount of cash. The federal government had quite a lot of cash in the 1960s and was funding significant new programs as part of a process of completing the social welfare program it had run on in the early 1960s. The government of Ontario moved very quickly. In fact, in the first three or four years Ontario took 80% or 85% of the money, it was so well organized.

What was built—or bought—are the fairly large projects you see in most urban communities, and then quite a lot of mainly seniors' housing in smaller towns.

Because the projects were large, they concentrated a large number of people of very limited means and, in the family projects, with large numbers of kids, in very small pieces of geography. A lot of them were large-scale apartment complexes, and within a few years they elicited a very strong public negative response, not just in Ontario but across Canada, but especially in Ontario.

In 1972, the federal government stopped and said: “We were too simple-minded about this. It doesn't work too well, so let's look at another way of doing it.” From 1972 to 1974 they rethought it. They had some national task forces. In 1974 they amended the National Housing Act and from 1974 till recently, social housing has been delivered this way, not by big crown corporations or public agencies but by community sponsors of various sorts: municipalities, church groups, social service agencies, cooperatives. They are much smaller in scale than the ones from before and they are largely on what's called the mixed-income model; that is, not everybody in the project is there because they have the absolute lowest possible income. In fact, in most non-profits there's a banding, so many have market rents, so many have shallow subsidies and so many are very poor, so you have smaller projects, mixed format.

The Ontario Housing Corp has continued to exist. It still selects its tenants, or did until very recently, on a point ranking system that really meant that the less you had and the more desperate your situation, the more likely it was you would get in, continuing to gather in these geographic locations the people with the biggest problems and the least income.

That's the distinction between the two approaches. If this hasn't been enough to give you a sense of which one is which in your own community, we would be happy to tell you which ones are funded under the first model and which ones are funded under the second.

The Vice-Chair: I think that about does it.

Mr Burns: I'll save the 20-minute version for another time.

The Vice-Chair: We'll take a 10-minute break.

The committee recessed from 1541 to 1558.

The Vice-Chair: Mr Cleary has a few questions, Minister.

Mr Cleary: Getting back to when I was cut off the last time—

The Vice-Chair: Order, please.

Mr Bisson: On a point of order, Mr Chair: I just was having a discussion with the Liberal Housing person, and I take it he's okay with this—he's nodding affirmatively—that the Liberals would do a half-hour in their rotation, we would do a half-hour in our rotation and we would deem the estimates to have been done for today as if we would have gone till 6 and we'd come back tomorrow to finish.

The Vice-Chair: That's fine. Thank you very much.

Mr Bisson: I'd ask for unanimous consent to do that.

The Vice-Chair: Unanimous consent? Agreed. We shall deem it to be 6 of the clock at 5 o'clock.

Mr Bisson: At 5 o'clock. It's called Queen's Park standard time.

The Vice-Chair: Only politicians could do that.

Mr Cleary: Say a municipality is concerned about whether there will be any support programs for a period of transition to amalgamated municipalities. Are there going to be any support programs?

Hon Mr Leach: We have indicated to municipalities that if there are circumstances that present themselves where they would like to bring a proposal forward, we would be pleased to discuss it with them.

1600

Mr Michael Brown: I'm trying to understand where the ministry is going and perhaps the minister can help us a little bit. We're talking about \$1 billion being spent in the non-profit co-op, all those supported sectors, and you're talking about some kind of income supplement system to replace that. I'm trying to understand your exit strategy for leaving the support of the non-profit co-op sector. Is there a plan and what is your strategy?

Hon Mr Leach: They're two unrelated issues, the co-op housing program, and you're right, this year it cost us I think \$856 million and it would have been over \$1 billion next year had we not taken the actions to curtail the subsidy to the projects that were going to be under way. That's one issue and that's a totally different issue than the—because those costs are with us. They're contractual arrangements that have been made.

Mr Michael Brown: Which costs are with us?

Hon Mr Leach: The \$800-and-some-odd million that we pay for co-op housing subsidies now are subsidies that are going to be with us for a substantial period of time because governments have entered into contractual arrangements with co-ops to provide that subsidy over the term of the agreement that we have with them over 35 years.

Mr Michael Brown: So there can be no exit from that situation then?

Hon Mr Leach: We can reduce costs somewhat by streamlining the administration and operation of the co-ops, but they're minor amounts relative to the hundreds of millions that are involved in the subsidy program.

Mr Michael Brown: How much then is the government considering with non-profits, the other side of the issue? Are you looking at an exit from that side?

Hon Mr Leach: There are some 84,000 units involved in non-profits, and we indicated in our campaign that we would like to divest ourselves of the bricks and mortar of that program. It's a long-term program, and obviously I think that anybody who is aware of the general makeup of the program knows it involves CMHC, for example, and the federal government, ourselves, and in many instances municipal involvement as well. Any program that's going to be undertaken to divest ourselves of involvement in non-profit or social housing is going to have to involve all of those players. So you can appreciate that it will be a long-term strategy rather than a short-term strategy for the bulk of the portfolio.

There are some—and it's a minor amount, roughly 10%—where you have single or semi-detached houses that are in the OHC portfolio which we're looking at to see whether we could put some of those, if not all, on the market. That's not a new strategy. It's a strategy that was undertaken by previous governments. The NDP sold a few off, the Liberals sold a few off. We're looking at divesting ourselves from that part of the program.

Mr Michael Brown: If I can understand you then, you wouldn't expect over the next few years to substantially reduce the amount of money that is presently in the non-profit sector in terms of provincial government support in the non-profit sector?

Hon Mr Leach: It's going to be reducing rather than growing, and I want to develop long-term strategies that

would enable us to get out of the program in the fullness of time.

Mr Michael Brown: One wouldn't expect then that over the next even three or four or five years there will be huge savings to the government as they divest themselves slowly according to some strategy yet to be determined in these sectors?

Hon Mr Leach: There will be savings. The amount, you're right, is yet to be determined.

Mr Michael Brown: Then if we're moving to this income supplement situation, one wouldn't expect that there will be a lot of dollars in your budget being freed up to move into that sector. Is that a correct assumption?

Hon Mr Leach: Yes. As I said, the amounts haven't been determined yet, but any funding that can be freed up from that sector or other sectors—and I see where you're coming from now. Where are we going to get the money to pay for the shelter allowance program? Is that what you mean?

Mr Michael Brown: That was one of them. I'm just trying to get my head around what's going on here.

Hon Mr Leach: We're going to be reducing costs wherever we can in every other field. Funds that we can free up we plan to put into a shelter allowance program.

Mr Michael Brown: But from the statistics we've just heard from your ministry, there would almost need to be a doubling—there would be a doubling—of the number of people that your ministry has told us would qualify under the 30% rule. There are not going to be significant new dollars in your own ministry. Perhaps it comes from somewhere else—I don't know—but within your own ministry there are not likely to be significant dollars.

Hon Mr Leach: What you can do and what we're doing is looking at the various options to do that. You can tailor entry into a shelter allowance program to fit the funds available, to create a new program. Obviously, the more money you have available, the broader the program you can introduce.

Mr Michael Brown: But then aren't we into the same situation we're trying to fix, in that some people can grab the gold ring and other people can't? Isn't that what we were talking about when they can't get into the non-profits or into the co-ops or wherever?

Hon Mr Leach: But you want that number to be diminishing at all times. The more people you can serve with a shelter allowance program or any program that provides some assistance to them, the better off you are. All we're saying is right now under the 84,000-unit OHC portfolio, there's a limited number of people that you can serve and there are tens of thousands, over 100,000, people on the waiting list. Any program that you can introduce that diminishes that number—hopefully, over time you'll be able to develop a program that would suit all of those. I don't think you're going to be able to do it on day one and I don't think anybody would expect that entire waiting list of 100,000 would be eliminated in one fell swoop.

Mr Michael Brown: In a related question to that, the demographics of our society are changing. We all know that. As a society we're getting older. In my constituency—

Hon Mr Leach: It beats the hell out of the alternative, I'm told.

Mr Michael Brown: Yes, it sure does. In a constituency like mine, though, usually you would expect it to put pressure on providing those non-profit buildings that house seniors in particular. I'm trying to understand that there will not be increased pressure. In my world, in the world of Algoma-Manitoulin, the hope of the private sector filling that gap is fantasy, quite frankly. It isn't going to happen. It didn't happen before there were non-profits and it won't happen now.

If the government is not going to move in areas like ours, where realistically there is no possibility that the private sector is going to enter that market, how are we going to look after those seniors?

Hon Mr Leach: There are a number of ways, and I'll get the deputy to speak to this in a moment. One of the ways, for example, and as I've mentioned throughout the discussions that we've been having, co-op and non-profit housing, in my view, is the way to go. What I've said is that we have to find ways and means of constructing it without substantial taxpayer subsidies. I think most of us would agree that \$10,000 a unit in subsidy per year for a co-op is extremely high. We can't afford it.

What we're doing now is working with sponsor groups to try and find ways and means of getting those buildings constructed at a cheaper cost by changing various pieces of legislation that reduce the cost. Get the building up and then provide subsidies to the individual, primarily seniors—as a matter of fact, seniors is the first part we're looking at in coming up with the shelter subsidy allowance; provide the shelter allowance directly to the senior to be paid into the co-op. It gets the government out of the co-op subsidy business. It provides the sponsor group to get it built. We provide the subsidy to the individual who's in need. That's the premise we're working on and I think that's doing it, but there are other ways as well.

1610

Mr Burns: I just want to add a brief comment on the question of whether the demographics of Ontario are going to produce over the next 10, 20 years a huge waiting list for social housing programs. There's no question they're going to produce major demands on the health and social service needs, but over time the households that are entering the post-65 world have more and more assets and income compared to the ones in the past.

On the other side, historically in this province we've tilted a major part of the social housing program to seniors larger than they represent as a portion of households who have limited means. So in many, many communities right now we have quite modest waiting lists for seniors' RGI. I think there's no question that as a whole government we have to be very alert to what's going on and the demographic change in the province. But in the housing world we're not predicting that an increasingly aged population is going to produce a mammoth demand problem for social housing per se.

Just to go on, to reinforce the minister's comment, the households that do get access to rent-geared-to-income housing who are elderly are almost entirely those who have only the pension and the income supplement; they have very modest means. But as time goes by and they

begin to derive some income from the Canada pension plan and from other sources, they are going to be farther away from that base situation and it would take less of a bridge to sustain their housing costs in another format.

Now, I think, just to go back, the big challenge is connecting appropriate services to that aging population and to the places they live. That is also a big challenge in the social housing world, particularly those places where there are a lot of seniors in the tenant population, and in the Ontario Housing Corp and lots of community organizations people are trying to make partnerships with the service providers in that world to try and address that.

Mr Curling: Mr Minister, first to correct the record, a little bit more understanding of what Mr Kells was talking about. When rent review came in, it was done by landlords and tenants getting together and bringing about that policy. It may be a rather complex thing for Mr Kells and his colleagues. I hope so, because a lot of consultation brought that policy about. I mean, it was a keen understanding: Landlords and tenants brought that process to the Legislature after long consultation.

Yes, it was a bit complex, but I think it was aiming towards fairness. All the NDP caucus voted fully in favour of that, and so did the Liberals. Just to get that clear with Mr Kells as he goes criticizing the rent review process. Tedious—as a matter of fact, we had almost five weeks of hearings and I think I attended every single one of those hearings around the province, unlike Bill 26 of course: We couldn't find the minister at all to even appear to defend.

Hon Mr Leach: Be nice, now.

Mr Curling: No, I know that was kind of complex for him and it was difficult. But again we did that and that was the process. I hear you talk about consultation and I believe you've had a lot of consultation. There are quite a few legislations you want to bring forward, I can see, as you mention there. They're going to be very challenging ones, and I know that you would be going around the province, especially that rent review, rent control legislation that you want to introduce, or the alternative to it, as you say. That would be very interesting.

Minister, I empathize with you, with the 100,000 that you said are on the waiting lists that need access to RGIs. Do you think that when your policy comes in, you'll be able to offer subsidy to all those with your shelter allowance, what you have now and the 100,000 that are there?

Hon Mr Leach: No. As I pointed out to your colleague, obviously it's not going to be possible to develop a program where you could walk in on day one and say the waiting list is eliminated. I don't think anybody expects that or anticipates that, including those that are on the waiting list. What I'm saying is that we want to develop programs that will help us eliminate that list as quickly as we possibly can, dealing with those that are most in need first and working our way through.

Mr Curling: So you'd have more on subsidy than at present. The amount of people who are being subsidized now, in numbers—there would be more people on subsidy.

Hon Mr Leach: Yes, because there are 100,000 people—

Mr Curling: Waiting.

Hon Mr Leach:—waiting for help. We want to try and help as many of those 100,000 as we possibly can, dealing with the most needy first, which are very-low-income families and seniors, primarily.

Mr Curling: It's been a long day for you so you can always give me the answer another day. Will any of those subsidies given to anyone now be reduced? Will they be given less? Even those who are getting subsidy now, will that be reduced?

Hon Mr Leach: We know that those who are getting subsidy now, their rents are going to be increased. That's being increased as a result of an arrangement that was made by the previous government to take the rent—geared-to-income rates from 25% up to 30%.

Mr Curling: So the rents will be increased.

Hon Mr Leach: Yes.

Mr Curling: Will their subsidy be increased?

Hon Mr Leach: Not necessarily. Those decisions haven't been made yet. As we've mentioned on a number of occasions, we're still looking at the various options that are available to us to establish a shelter subsidy program. We're also looking at various programs that exist at the present time. I think my colleagues from the NDP indicated a couple of days ago that when they were reviewing the program they could see a need, and I'm not quarrelling with the need to increase the percentage from 25% to 30%. As a matter of fact, I think Ontario has the lowest rate of any of the provinces right at the present time.

There might be a need at some future point to revisit that again, so there's no guarantee that you can say, "Yes, it's going to 30%; it'll never go any higher."

Mr Curling: Would their subsidy decrease then, whatever the government gives them?

Hon Mr Leach: It means that they would have to pay more of their income for shelter.

Mr Curling: Therefore, their subsidy will not increase, but they may have to pay more for their rent. In other words, if they are getting \$500 a month now and their rent goes up, of course they'll have to dig in and pay more. Would that \$500 also be reduced?

Hon Mr Leach: They're not all on social assistance, you have to understand.

Mr Curling: I know. I'm just talking about those who are subsidized.

Hon Mr Leach: You're talking about people who are on social assistance, whether their social assistance is going to go up or down?

Mr Curling: No, no. Those who are subsidized into these—

Hon Mr Leach: In housing.

Mr Curling: In housing, on RGIs.

Hon Mr Leach: Where they pay a certain percentage of their income into rent.

Mr Curling: Yes.

Hon Mr Leach: Okay, the percentage that they have to pay for rent is increasing and has been increasing over the last several years from 25% up to 30%, so they are paying more of their income. Whatever source of income they have, whether they're working or whatever, they're paying more of their income for rent. Is there a possibility that that could increase? There's always that possibil-

ity. Just as conditions existed five years ago, those conditions may exist again in another five years.

Mr Curling: You're going in the wrong direction. You're maybe not understanding me fully. There are subsidies given to people on RGI, rent-geared-to-income, and I know that their rents will go up. Of course, they'd have to dig more into whatever subsidy they get to pay for that rent, but there's a certain amount of subsidy they do get. Will you also reduce that?

1620

Mr Burns: The subsidies in RGI do not go to the household, they go to the landlord. So if it costs \$1,000 a month to operate a unit, counting debt servicing and all the rest of it, and the household that you've been talking about, which is now paying 30% of their income is now paying 400 bucks a month, that 600 bucks never passes through the accounts of the tenant. It goes straight to the landlord.

Mr Curling: But, Deputy, you had said, and the minister had said, that we're going to change that concept and give it to the individual so they can go out and do their shopping.

Hon Mr Leach: That's a shelter concept.

Mr Curling: Yes. On the shelter allowance, will they be getting less because at the outside there now they will be in an open market looking and you will be giving of course a certain amount of money according to their income. Will that percentage that you give—well, given to the landlord, that they've gotten, and they're going into the private market—be less, or you don't know now?

Hon Mr Leach: We don't know as of yet.

Mr Curling: Is it possible it will be?

Hon Mr Leach: What we're saying is that we're still evaluating the shelter allowance program to see what we can do, and at the same time we're looking at the RGI programs as well. There haven't been any decisions made as of yet.

Mr Curling: We'll come back to that later on when you introduce that. Maybe I won't push it any more. My suspicion is that there will be less out there that people will be getting. Then you may be giving more people money, but they may be getting less in the kind of percentage in the RGI, which will go to the private sector anyhow.

Block funding, Minister—how much time do we have?

The Vice-Chair: Five minutes.

Mr Curling: I just have a quick one. Block funding: Do you think, coming from the feds now, is that a positive move in what I am hearing, that the block funding comes without any strings attached as a transfer of the federal government, and say, "Here is your money"? That will make it more creative for you to do what you want to do.

Hon Mr Leach: If the federal government decided to move to a block funding formula and maintain the level of funding that it presently provides to us, yes, that would be very positive.

Mr Curling: Maybe next time I'll bring it up again and ask you what can we do to make sure that some of that money is not reduced coming across to the province.

Hon Mr Leach: Call all your cousins up there in Ottawa and just say, "Keep that money coming."

Mr Curling: You see, I gave you one good one just to leave there—

Hon Mr Leach: I appreciate that.

Mr Michael Brown: I'm interested, coming to the rent control issue again—and that's because I happen to have been, unfortunately, the Chair of the last two committees that dealt with rent control and learned far more about rent control than anybody should have to know. Quite frankly, in my constituency we get one or two calls a year about it, so it's not a terribly big issue from a personal standpoint.

Hon Mr Leach: I get a few more than that.

Mr Michael Brown: I look at the last permutation of rent control with some wonder. It actually provided for the largest increases above inflation, if you talk about real dollars, of any rent control system ever in place in the province of Ontario. The fact is, it didn't happen. Most landlords couldn't get the type of increase, and the reason is because we're talking about real estate. We're talking about the economy. We're talking about markets. If it's not there, you can't get it. That's the way markets work.

The other thing is, the experience in real estate over the last five or six years—if you were unfortunate enough to own some commercial real estate you know exactly what happened. It was greatly overbuilt and there were a lot of problems in the industry. But with residential real estate, there is a need to protect people from being thrown out of their houses. So right now rent control is probably not one of the bigger issues on anybody's agenda. I'm hoping you'll have some real problems with rent control because the real problem with rent control happens when the economy picks up, when people have jobs. When people want to move in the economy, things happen. Then you're going to get the pressures.

Your government sought various permutations during the times that rent control was in. Certainly, the Liberal government saw it in the 1985-86 area where the economy was picking up, and there was tremendous pressure in the economy to create jobs and to build houses and to have new accommodation etc. We all know. Is it your ministry's view that we're going to be into that kind of situation in the near future? If the economy starts to boom, you're going to have some trouble with rent control. If it doesn't, it's almost a non-issue.

Hon Mr Leach: I guess your point is that if we run into inflationary times, is that going to create a lot of problems for us?

Mr Michael Brown: I wouldn't say inflationary, I'd say growth times.

Hon Mr Leach: Growth issues. It's difficult to say. Let's assume that the existing rent control system stayed on, then those growth issues are taken care of in the rent control program. One of the options we're looking at, which is a tenants' protection program similar to what they have in BC, would again take that into consideration, because the rents are negotiated directly between the tenant and the landlord. Any dispute between what you feel is a fair rent and what I feel I need as a landlord is dealt with through arbitration, so that again, what's a—

Mr Michael Brown: But that system probably will work just fine as long as there isn't a tremendous pressure on the system. I guess we'll see as we go through.

I agree with you, there are some real problems with the present legislation. There are a lot of bureaucratic problems. There's still the problem which I myself always found totally amazing, that Mr Leach could be renting the apartment below me and paying twice as much as I am in the same building because that's when the Davis government's rent control hit. For no other reason, I could be paying considerably more or considerably less for exactly the same unit.

Hon Mr Leach: Yes, there's no doubt there's inequity in the system.

Mr Michael Brown: So there are a lot of problems. Those are all the questions I have.

The Vice-Chair: Thank you, Mr Brown. Before I turn to Mr Bisson, Mr Poelking, our research officer, has given me a piece of research that was done and I think it will give everyone a little bit of background on residential rent regulation in Canada past and present. I think we should circulate this perhaps tomorrow, when we make copies available.

Mr Bisson: Could we get a copy?

The Vice-Chair: Would everyone like a copy? I think that would be useful.

Mr Bisson: Who did it?

Mr Steve Poelking: Jerry Richmond and Carolyn Stobo.

The Vice-Chair: From my own legislative research service.

Mr Bisson: Good, excellent.

The Vice-Chair: Mr Bisson, you have the remaining half-hour.

Mr Bisson: Just a couple of things I want to delve into here, a couple of comments that you made earlier, and I'd just like to flesh them out a little bit.

One of them is that when you talked in exchange with the Housing critic for the Liberal Party, you were talking about the question of how come there's a difference in price in overall budgets for operating non-profit versus the private, if you remember the exchange that you had. One of the comments you made, and it was a bit of an interesting one, you used as one of the examples that one of the reasons it costs more for a non-profit to be operated—I'm not talking construction; we're talking operational cost—compared to a private was the public tendering process and I just—

Hon Mr Leach: I think I was referring to OHC at that time, where governments are required to go to public tendering. Private sector can negotiate a price and often they're able to negotiate better prices through face-to-face negotiations and tradeoffs than you are through the public tendering process.

Mr Bisson: Do you have anything that would point to that, because I've been involved in both tendering in the public sector through government experiences and also tendering in the private sector for services and the process is somewhat similar. You put a tender out, a package out there, you say what you're looking for either in services or materials, and people come back with prices based on their ability to do business with you at the best possible price, and from that you make a selection. On what basis do you make that comparison? That's the first time I've heard that one.

Hon Mr Leach: It's certainly not the first time I've heard it.

Mr Bisson: You might be right. I'd just like to know where you get that from.

Hon Mr Leach: Often when a tender goes out, people tender on it and you get the price. Very often, when the private sector—and they would more aptly call it calling for proposals rather than a tender. They'll get proposals back from a number of interested individuals. They will then go to that individual or they might even go to the second-lowest guy and say: "Look, Joe has offered to do this for me for \$1,000. Can you beat that price?" And he'll say, "Yes, I'll do it for \$990 if I can get the job," and they negotiate back and forth. The ethics of tendering in the public service say that once you call that tender and the tender is received and the price is there, if it's \$1,000, it's \$1,000.

1630

Mr Bisson: Do you have any kind of data to show in your dealings with Ontario Housing that that is the case?

Hon Mr Leach: We tender.

Mr Bisson: I very well recognize that you tender, but are there any kind of data you can show that would actually demonstrate that there is a difference?

Hon Mr Leach: I don't know what kind of hard data they would have, but I know that in conversations with people who run the Metropolitan Toronto housing company, for example, people who were managers there in the past have indicated to me that they have negotiated contracts rather than tender and got a better price.

Mr Bisson: So there are no hard data then. Is that something you're looking at doing though, to change?

Hon Mr Leach: There are security contracts, for example. There are all kinds of different contracts where services are provided to the private sector on the one hand and to the public sector on the other hand. The public sector will pay more because very often the public sector has more requirements, more safeguards built in. You have to have deposits, you have to have a whole number of things that put the price up somewhat.

Mr Bisson: But you have no data. Is that something you plan on changing within the ministry, the tendering process for Ontario Housing to go to a different system? Are you proposing that?

Hon Mr Leach: No, there isn't any proposal to do that at this point in time.

Mr Bisson: Is that something you're interested in looking into? Is that something you would like to change?

Hon Mr Leach: No. I think from a public government standpoint, the tendering process is probably as efficient a system as you can get, taking into consideration that you're dealing with taxpayers' money and you have to be able to show to the taxpayers that you did this and you did it in a businesslike manner. In the private sector, for example, anybody here I think who has done any housing renovations, you'll shop around. The ability the private sector has over the public sector is they have the ability to shop prices around, where the public sector is basically tied to a tendering procedure.

Mr Bisson: I would take it, though, that in the overall cost of operating non-profits, if there's money to be

saved that way, it's not large enough for the government to go after. It's not a big-ticket item that you can—

Hon Mr Leach: I think, as you mentioned when you started your comments, that that was one of the issues that was mentioned. It's not the total issue.

Mr Bisson: The other thing that you talked about in the cost of running public housing—and my ears perked up on this one—was the question of labour prices. I don't want to put words in your mouth, but you were alluding to one of the differences being that there are collective agreements in place and we tend to pay people better money in collective agreements than we do when they don't have collective agreements. Is that still your view?

Hon Mr Leach: Yes. I think in many instances that collective agreements that have been negotiated over time probably cause higher labour prices in the public sector. I never said that was bad; I'm just saying that's a fact of life.

Mr Bisson: That's what I want to clarify here. I'm glad you said that. Is it your view, as minister, that the collective agreements that are currently in place in the non-profits and/or under the Ontario Housing Corp should be renegotiated to push the wages down?

Hon Mr Leach: Could you say that again? I'm sorry, I missed—what are you saying? Are we proposing to reopen the labour agreements that are there?

Mr Bisson: Are you proposing that you should reduce the wage levels within the collective agreements? When you did your exchange with the Liberal critic, you sort of alluded in your comments—and I'd have to go back and look at the Hansard exactly—that that was one of the big costs and you needed to find another way of doing things. So is it your view that you should go back and renegotiate those collective agreements to lower the wages?

Hon Mr Leach: No, but I think the collective agreements come up for renewal from time to time, usually on a one-, two- or three-year basis, and any time a collective agreement comes up for renegotiation, everything is on the table. Wages are on the table. They sometimes go up, they sometimes go down. Sometimes benefits change, and all of that would be on the table any time a contract is open.

Mr Bisson: I understand that and all's fair, but what I'm asking is, when those contracts do come open, is it the position of the government or yourself as Minister of Housing that the people responsible for negotiating contracts with people who service non-profits or Ontario Housing, that those items be put on the table in order to reduce the cost of the collective agreement?

Hon Mr Leach: What we want to do is ensure that we negotiate a contract that's in the best interest of the taxpayer, plus ensuring that our employees are well looked after.

Mr Bisson: All right.

Mr Burns: There are more issues in collective agreements than the face value of salaries or benefit structures. Job classifications and work rules are part of them and they all bear on cost-effectiveness. The Metro Toronto Housing Authority here in Toronto has just been reorganizing the blue-collar field staff to work in a very different format, and out of that came a discussion about a much

simpler, more universal job description with a set of work rules attached. It's going to improve the cost-effectiveness of that staff group a lot, but it came from the things that are tied up in collective agreements.

Mr Bisson: With all due respect, the question I'm asking the minister—and I see his name there, his name is Al Leach MPP, Minister—is, is it your intent to reduce through negotiations, when the collective agreements come open, the overall cost of the package in the collective agreement? Because I think that's what you're alluding to, but I might have been wrong and it's a chance to clarify it for the record.

Hon Mr Leach: If there's an opportunity to negotiate different types of work rules that increase productivity, that lower costs, that's what we would be looking for.

Mr Bisson: So the answer's yes. Okay. In regard to the further of where that goes is the whole—

Hon Mr Leach: I don't think I said yes. I think I said—

Mr Bisson: No, no. What you're saying is that you're prepared to negotiate when they come open. I'm not trying to put words in your mouth.

Hon Mr Leach: I think what I'm hearing is that we shouldn't try and negotiate an agreement that's in the best interest of the taxpayers. Is that what you're saying?

Mr Bisson: I have negotiated on both sides of collective agreements and you always try to get the best possible deal for the people you're negotiating for. I understand that, but the question I was asking you is, the entire package in a collective agreement costs money.

Hon Mr Leach: Yes.

Mr Bisson: Wages, benefits, working conditions, all of that has an effect. What I'm saying is that the direction of the government is to reduce items in the collective agreement so as to reduce the overall cost of that collective agreement. That's all I was asking.

Hon Mr Leach: Yes, but what you might do is negotiate a package that allows you to do more for the same cost.

Mr Bisson: All right. Anyway, we'll see in time. As you say, in the fullness of time we'll get the answer on that one.

The other thing is—and let me just ask you the question because I really don't know the answer—is it the intention of the—

Hon Mr Leach: This will be the first one.

Mr Bisson: Yes. Believe me, there's more coming. Is it the intention of the Minister of Housing, or the government for that fact, where possible, to privatize those services with—in the running of non-profits or in Ontario Housing units, most of that is done by people who are covered by collective agreements. Is it the intention of your ministry and your government, where possible, to put that over into the private sector; in other words, replace the workers who are now under collective agreements with private sector people who have been brought in by tender or contract?

Hon Mr Leach: What we want to do is provide services to those people who reside in OHC in the most effective way possible. People don't care who carries out the service. All they care about is the service itself. If there are more effective, cost-efficient ways of doing that,

certainly I think that we would be obligated as a government to review those.

Mr Bisson: Is that a maybe?

Hon Mr Leach: It says that we're going to be as efficient and effective as we possibly can, taking into consideration that we're dealing with taxpayers' dollars.

Mr Bisson: If I was an alarmist, I would take that answer to be yes and, to be fair, I think it's a maybe.

Hon Mr Leach: If I was a taxpayer, I'd be clapping my hands.

Mr Bisson: You'd be clapping your hands at privatization as a better way of doing it.

Hon Mr Leach: No. I'd be clapping my hands that somebody is finally going to start to operate effectively and efficiently.

Mr Bisson: All right. Again, I don't want to put words in your mouth, but one of the things that you're looking at is, when Ontario Housing units who are presently being serviced by people who are under contract with collective agreements, if possible you will move to private sector people to do that?

Hon Mr Leach: No, I didn't say that at all. What I said is that we would review all of the options that are available to us and we will examine what is the most effective, efficient way to provide services. Obviously if the public service unions that operate in OHC can provide services efficiently, effectively, then there's absolutely no reason for them to be concerned.

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I am continually advised that the public service—and I was in the public service for many years; I know how effective and how efficient they can be—can compete with the private sector. I don't see any reason why they shouldn't, so if that is the case, then there probably won't be any changes in contracting out. If they can work as effectively and as efficiently as others, then they don't have anything to worry about.

Mr Bisson: Okay, so in the fullness of time, we will find out if there's privatization in that sector. That's fine; I understand that.

The other thing is that you made a couple of other comments around two other pieces of legislation, and this, in order to just clarify for the record: There was discussion about the Rental Housing Protection Act that presently does not allow you, or a private sector landlord, to just throw people out of the house without making sure there is some provision for something else to replace it. Is it your view to make changes in the Rental Housing Protection Act?

Hon Mr Leach: It's an act that we want to review, yes. What changes would be proposed are yet to be determined because we haven't even started the review of that particular act.

Mr Bisson: Would the purpose of that be to deal with something like the Glengarry public housing project in Windsor, in order to allow that development to be sold off, which is a non-profit?

Hon Mr Leach: I don't think any decision has been made along that line. I think OHC said that that community has been put in some jeopardy because of actions that were taken by some previous government in allowing the construction of a casino right across the street.

Mr Bisson: That was called the NDP government.

Hon Mr Leach: Was it? I knew it was one of the other two.

Mr Bisson: Just for the record, we want that to be clear.

Hon Mr Leach: There's now other infrastructure that has to be put in place in Windsor, as I understand it—and I'm only getting this second and third hand—

Mr Bisson: I understand that.

Hon Mr Leach:—that dictates that that project, as it exists now, should be reviewed. OHC I think are doing the most appropriate thing by saying, "Let's look at what our options are," and they're including, by the way, representatives from that community on the review process.

Mr Bisson: It wouldn't be the first time that a non-profit housing project has been sold; that's not the issue. I recognize that. However, tenants in this province are protected under the Rental Housing Protection Act for certain evictions that happen when there are changes, and all I'm asking is, is it the view of the government to make changes to the Rental Housing Protection Act to allow that kind of activity to happen a little bit easier, in favour of the developer or the landlord?

Hon Mr Leach: As I said, we haven't started the review of the act as of yet. For all I know at this particular time, there may be no changes, there may be substantial changes. I'd like to have an opportunity to review it. I haven't done it yet.

Mr Bisson: Landlord and Tenant Act, there was also some mention about making changes there.

Hon Mr Leach: Yes. We've had this discussion going on for a number of hours now. I think what we have to do is make sure that we're in a position to entice the private sector back into the building business. We know that to do that we're going to have to review all of the acts that you have mentioned at this present time.

Mr Bisson: That's fair.

Hon Mr Leach: What the changes are are yet to be determined, but I do think that it's fair and appropriate that all of the bits and pieces that are in that package be looked at. I'm sure that you would think that was fair that they should be reviewed. Perhaps they can be even improved.

Mr Bisson: One further question on the Landlord and Tenant Act: Is it the view of the government to make changes to the Landlord and Tenant Act that would take away certain protections that tenants presently have in the act?

Hon Mr Leach: I don't know. As I said, we're going to review all those pieces of legislation, and until such time as we've had an opportunity to review them, to have public consultation, to get the views of both tenants and landlords, we haven't made any decisions. But I'm sure that you will agree that it would be appropriate to review it.

Mr Bisson: Part of the problem, however, I'm having with the reviews that you're talking about is that any government when they undertake a review, normally it's because they have an idea of where they want to go. You want to make it either better for landlords or worse for landlords or you want to make it better for tenants or

worse for tenants. You have an idea of what you're up to. Part of the problem I'm having with your answers is that you're telling me you're going to do these reviews—that's all fine and good—but I don't know a government yet that's undertaken review of any piece of legislation unless they know where they want to go with it.

Hon Mr Leach: Well, I think I've repeatedly told you where we want to go with it. What we want to do is develop a system that provides a better process for tenants, because I don't think the system in place at the present time is beneficial to tenants. It doesn't give them any options of accommodation. There hasn't been anything built in years and years. We want to provide a system that provides the ability for someone who invests money in the rental business to make a fair return on their investment while providing good service to tenants. What we're saying is that rather than favour one side of the option over the other, we would like to look at both and ensure that tenants are well served and landlords are well served.

Mr Bisson: Have you ever been a landlord?

Hon Mr Leach: Yes.

Mr Bisson: Are you still a landlord? Do you still own buildings?

Hon Mr Leach: No.

Mr Bisson: How many buildings have you owned, just to get an idea?

Hon Mr Leach: It was very minor; one unit.

Mr Bisson: So the only experience you have directly as a landlord is one unit that you've owned.

Hon Mr Leach: Yes, although I don't think you have to be a chicken to recognize an egg, either.

Mr Bisson: You don't own that unit any more?

Hon Mr Leach: No.

Mr Bisson: When was that sold?

Hon Mr Leach: I don't know, 10 years ago.

Mr Bisson: Are you involved in any kind of business that has anything to do with any kind of rental property, where there is rental of units where you would be part of a company or any kind of a corporate entity that has that?

Hon Mr Leach: No. Why? Am I making money I don't know about?

Mr Bisson: No, I'm just asking. I'm trying to figure out where you're coming from and this is part of the question. Is your family involved directly—your wife, let's say—in owning apartment buildings?

Hon Mr Leach: No.

Mr Bisson: Your wife doesn't own any rental units at all within the province of Ontario?

Hon Mr Leach: Not that she's told me about.

Mr Bisson: Children, your own kids—would you have taken buildings at one time and put them in the trust of your children?

Hon Mr Leach: No.

Mr Bisson: Okay, that's fair.

Hon Mr Leach: Are you working for the privacy commissioner now?

Mr Bisson: Yes, I am. I've got a job on the side.

Hon Mr Leach: I answered all these questions for him as well.

Mr Bisson: Those are fair questions. Listen, we come to public life—

Hon Mr Leach: That's why I don't have any problem in answering them.

Mr Bisson: That's right. That's good.

Onward and forward: On the Glengarry public housing project, you were making some comments before, I guess about a week or so ago, that you were going to make sure that those tenants in the end were protected and were not just left out in the cold. I respect that; I understand that.

Hon Mr Leach: On the Glengarry project?

Mr Bisson: Yes, the Glengarry project in Windsor.

Hon Mr Leach: The only comment I made on Glengarry was that I wasn't aware of the details of the project when I was asked by the media. The only thing I know about Glengarry at this point in time is that OHC is concerned about the future of the development and has undertaken a review of options that are available to it, including consultation with the existing tenants.

Mr Bisson: In the case of the Glengarry public housing project, people are now presently covered under the housing protection act, as we were talking about a little while ago.

Hon Mr Leach: No, they're not.

Mr Bisson: Oh, that's right too. They're non-profit

Hon Mr Leach: OHC is not covered by that.

Mr Burns: Non-profits and cooperatives and public housing are not covered by the RHPA.

Mr Bisson: I stand protected—I stand corrected; protected as well.

Hon Mr Leach: And they stand protected, by the way.

Mr Bisson: How can you protect them, though? Just basically as the minister you're giving them your assurance that you're going to make sure that when this development does happen, they're not going to be left out in the cold.

Hon Mr Leach: I think that they've been given assurances by the local housing authority and by OHC that there's a need to review the project and that the tenants who are involved in that particular housing complex agree with that, and they're working with the local housing authority and OHC to review all of the options that are available to them.

Mr Bisson: Getting on to the 22% cut that people on FBA and GWA received as a result of expenditure restraints that your government is undertaking, those people who are renting from private landlords—we're not talking non-profits now, we're talking about private landlords—just by way of clarification, how was that dealt with? Part of my GWA cheque or FBA cheque is directly for my subsistence and the other part of it is for shelter. When the 22% cut was given, does that basically mean to say that it came out of the groceries and the rental thing was not adjusted in any way?

Mr Burns: Anne, do you happen to know exactly how Comsoc administered the cut? We're speculating up here so—

Ms Beaumont: I understand that when the cuts—you may have some more recent information, Dino—were made to those programs, there were cuts across the program.

Mr Chiesa: But the shelter component did not go down, and my understanding is the shelter component will stay the same.

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Mr Burns: For people in the private sector?

Ms Beaumont: No, not for people in the private sector; for people in public housing.

Mr Burns: The question is, what happened to the shelter allowance component of one's entitlement? The obvious thing is you caught the wrong ministry here, but I—

Mr Bisson: I'm just trying to figure out how people have to deal with that, but the question—go ahead.

Ms Beaumont: The allowance would have gone down and there was much discussion, I understand, that took place between the various officers of Comsoc and people who had been in contact with them who are renting in the private sector, also between those tenants and the welfare officers and landlords. What I hear, and this is only hearsay in the content of some letters and phone calls that we've had, is that a number of landlords in some communities made rent reductions—

Mr Bisson: Yes, I'm aware of that.

Ms Beaumont: —because they wanted to retain tenants they had that were good tenants but others wouldn't have done.

Mr Bisson: When they reduced my GWA or FBA cheque under the cuts from your colleague Mr Tsubouchi, it was reduced by 22%, not of the shelter allowance but the actual portion that goes to buying the groceries and buying the clothes etc. There was no adjustment made upwards on the shelter subsidy to try to make up the difference?

Ms Beaumont: No.

Mr Chiesa: On the private side, my understanding of what happened was that the shelter component—the only thing that changed in the shelter component was the cap. For example, if the rent was \$800, if that cap was \$800, that cap went down by 21%. If you were paying \$600 or \$700, whatever the number was, then that didn't go down proportionately. In other words, if you were paying \$600 or \$650 for rent, the shelter component stayed the same. What went down was the cap that was allowed under that program for shelter allowance.

Mr Bisson: Let me just try it this way, just because I need to understand this a little bit better: I'm paying \$800 a month for my rent. I get what's maximum allowable under the shelter allowance—I never get that term right—and I'm getting, let's say, for the other part of the GWA or FBA \$700 a month. Is it only the \$700 that was deducted by 22%?

Mr Chiesa: The \$700 would have gone down; the cap would have gone down as well. Now, I don't know what the cap would have been for that unit or that unit type, or that particular family. So if the cap had been \$800, then that would have gone down. If the cap was higher, which many times is the case, then it wouldn't have been affected.

Mr Burns: We can ask the Ministry of Community and Social Services to write you with the details if you'd like.

Mr Bisson: Yes, because somebody's asked me that and to tell you the truth, I'm not a hundred per cent sure how that was dealt with. I'd appreciate that.

I just have a few minutes left and I'm going to take it up by saying that I understand, quite frankly, your willingness and your need and your desire to move forward on certain issues when it comes to construction of new apartment buildings in the province. I want to repeat once again, as the critic for my party, that I can tell you that we're prepared to work with you on that, in all sincerity. I think there are some things we can do, short of changing the rent control system in the way it's being proposed, by dealing with all those other issues around development etc.

I put the offer back out to you again and say, listen, you took exception a little while ago to the pamphlet that was put out by myself as critic, to people out there I'll be meeting with over the next while, to bring the message, because the very problem is you're being very unspecific about what it is you want to do. Even in this committee, I walk away from here after two days of sitting here and asking very direct questions around rent control and other questions, I think—speaking for the Liberal Party as well; I don't speak for the Liberals, I'll let them speak for themselves—really left with still a lot of questions that are unanswered.

Mr Michael Brown: Okay, we agree.

Mr Bisson: The Liberals would agree with me. What happens is that when we ask you specific questions around the question of, "Will people pay a higher rent as a result of the changing of the legislation as it now exists to the legislation that you're thinking about?" you're unable to give us a clear answer of, "Yes, we know that rents will go up in the future." Rents are allowed to go up under the present system.

Hon Mr Leach: And you think that's justification to go out and tell people that their rents are going up 40%? Do you think that's justification to do that—

Mr Bisson: Listen, you were unable to—

Hon Mr Leach: —to scaremonger like that?

Mr Bisson: Minister, you're the one who's scaremongering here, because you're unable to clarify the record for us. If you can guarantee that the rents will not be adversely affected, no worse than what it would be under the system that we have now—

Hon Mr Leach: If you can show me one iota of evidence that there's any proposal to increase rents by 40%—

Mr Bisson: Mr Chair, the minister's out of order.

The Acting Chair (Mr Peter Preston): Let him finish his speech.

Mr Bisson: Yes, he'll get the chance. What I'm saying to you is this: If you're not able to guarantee tenants in this province that once you've made your changes and you've moved away from the present rent control system and you go to a tenant protection system, whatever you want to call it, if you're unable to guarantee them that they will be no worse off than they are now under a system that has a cap, the answer's got to be that you're looking at doing away with the cap or severely modifying it to the point that rents will go up.

I don't see that as being something that most tenants in this province would be in favour of, and if I'm out there as a critic for my party along with others saying, "Hey, there's a problem here and people had better realize what the government is up to and we want them to go talk to their members of the Tory Party, both the backbench and the ministers," I'm sorry if you take exception to that. That's what the job is.

Hon Mr Leach: Well, I do, and I have absolutely no problem with you whatsoever—

Mr Bisson: I still have the floor. I would further just say to you, I sat in government for five years when both the Liberal and the Conservative parties were in opposition and that's exactly what they did and I never took exception to that, because I recognize that the opposition had and still has today a role to play in Ontario when it comes to both informing people about government policy and what's happening and then at times just giving a critical view and critical response to what the government is proposing if we feel we are opposed to it.

I fundamentally say here I'm opposed to the change, the moving away from the present system of rent control. If you're prepared to sit down with me and our party, and I imagine the Liberals as well, and figure out a way of dealing with development issues, I'm more than prepared to do that with you, but not at the expense of tenants.

Hon Mr Leach: I think that as an opposition member you have every right to do that and you should do that, but you also as an opposition member have a mandate to be responsible. Fearmongering and telling people that their rents may go up by 40% is not a responsible action and I find it somewhat offensive, to tell you the truth. Having said that, I'm more than prepared, and you and I have had this conversation before, to sit down with you, our party, your party and the Liberal Party, and work out a policy that provides protection to tenants, a good program to make sure they're looked after, and also ways and means of getting building stock back out there.

If the goal is to ensure that all three parties get together and develop a policy that benefits everybody, I'm more than prepared to do that. I do think, though, that all the issues have to be on the table, not just some of them.

Mr Bisson: In the last 30 seconds; there's still a minute left—

Hon Mr Leach: I would have kept talking.

Interjections.

Mr Bisson: I was watching.

The Acting Chair: We get a different view of things.

Mr Bisson: In the last 30 seconds, I will only say to the minister that normally when a government undertakes any review they know what the goal is and they know where they're going. The fear that I have right now is, you know where you're going but you're not able to share it with us because you realize it will leave tenants at risk.

The Acting Chair: Reluctantly, we are quitting at 5 o'clock tonight. Done, until tomorrow morning.

The committee adjourned at 1658.

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**In attendance / présents*

Substitutions present / Membres remplaçants présents:

Preston, Peter (Brant-Haldimand PC) for Mr Jim Brown

Also taking part / Autre participants et participantes:

Bradley, James J. (St Catharines L)

Clerk pro tem / Greffier par intérim: Decker, Todd

Staff / Personnel: Poelking, Steve, research officer, Legislative Research Service

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**Standing committee on
estimates**



Ministry of Municipal Affairs
and Housing

Ministry of Transportation

**Comité permanent des
budgets des dépenses**

Ministère des Affaires municipales
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 13 February 1996

Mardi 13 février 1996

*The committee met at 0904 in committee room 1.*MINISTRY OF MUNICIPAL AFFAIRS
AND HOUSING

The Chair (Mr Alvin Curling): We have remaining, of the estimates for the Ministry of Municipal Affairs and Housing, four hours and 48 minutes. It's my understanding that there was a give of an hour yesterday, reducing the time to 3 hours and 48 minutes—if I'm wrong, clerk, let me know, if it's your understanding too—and when the session ended yesterday the Conservatives were in their role to give their presentation or questions. Therefore, that would put us, Mr Minister, and his staff, just to caution them that they can go back to their desks and all that, somewhere around midday to 1 o'clock. In other words, if it's three hours, it's 12 o'clock. If it's 48 minutes extra, it's 12 o'clock plus 48 minutes.

Mr Peter Preston (Brant-Haldimand): I think it adds up to somewhere around 12 o'clock.

The Chair: The way I calculated it, yes, but your calculation many not be mine.

Mr E.J. Douglas Rollins (Quinte): We've known that for quite some time.

Mr Preston: I'm giving you a little suggestion is what I'm doing.

The Chair: You have done two minutes in your time already. Would you mind proceeding.

Mrs Lillian Ross (Hamilton West): Mr Chairman, may I ask a question? How many half-hour slots would we have this morning?

The Chair: That's another way to come around it, anyhow. Three hours and 48 minutes, then there are half-an-hour slots—well, in the one hour, that's—

Mrs Ross: Two and a bit.

Mr Rollins: Why wouldn't we finish it off at 12?

The Chair: I would have to wait until the NDP is here to get unanimous consent on this. So let's move on.

Interjections.

The Chair: Would anyone like to begin? The distinguished gentleman from the NDP is coming.

Mr Rollins: Eventually they'll be here. Then when they get here, we'll make a decision at that time.

The Chair: Okay.

Mr Rollins: One of the questions, Mr Minister, that I think we need to have on the record—again, I know you've said it on a couple of occasions, but I think when we're nearing the end of our discussions on housing—one of the groups out there that seems to be more concerned, we hear from our riding that a lot of the seniors who read the papers and one thing and another think they're going to have to be moving out and all these kinds of things. I

think we need to hear once more from you that those people don't have to worry about moving out. I'm sure that we're not going to sell stuff out from underneath them and make those people have to look for other accommodations and move in those natures at all. I would just like once more to hear from you that those are the concerns of this government and they still will remain the concerns of this government.

Hon Al Leach (Minister of Municipal Affairs and Housing): As you know, the Ontario Housing Corp is jointly owned by CMHC and the province. It's our intention to try and get out of the bricks and mortar business, but it's going to be a long process to do that and will take a considerable amount of time even to get the strategy and the policy put together. So I can assure you that anyone who's currently a senior in an OHC home doesn't have any concerns about the immediate future.

Mr Rollins: I was sure of that too. I think even when those things do come to the point where we're able to get out of some that bricks and mortar, in getting out of that, there will still be some restrictions for those people we do get rid of it to be able to accommodate some of the people who need that kind of accommodation and under the same kind of conditions that these seniors are there. I know in my riding there are a lot of seniors and a lot of phone calls in our office, "Where am I going to move to, what are you going to give me?" and all that kind of thing. I think that's the confirmation that those people want to hear from you, Mr Minister, that they are going to be able to stay there.

Hon Mr Leach: Obviously, the needs of tenants are paramount, and we're not going to take any actions that would be detrimental to them.

Mr Rollins: How long will it take us to move the rent geared to income from approximately the 24% or 25% or 26% now up towards the 30%? Is that quite a lengthy—

Hon Mr Leach: Well, that was an agreement that was made by the NDP government several years ago, to move from 25% to 30% at 1% a year. It has moved up now over the past three years to 28%, so there's 2% to go.

Mr Rollins: I see. So it would be another two years until it reaches that—

Hon Mr Leach: The whole RGI policy is under review. The current plan is to move it up to 30% in two years, but we're looking at various options for that.

Mr Rollins: One of the areas in the restructuring that will probably cost us more dollars to build and to facilitate is some of the buildings that require additional wide doorways for the handicapped people. Will we probably still be a partner in those kinds of restructurings, because the private sector is probably going to be slower to

develop into that area. We'll probably drag our feet and stay in that portion of it longer, or is that the intent?

Hon Mr Leach: We're developing a policy at the present time for special-need facilities. I strongly believe there are people in our society who need government assistance—the handicapped, disabled, for example—and I personally would support continuing a program to provide special-need facilities. As I said, we're working on a policy now.

0910

Mr Rollins: That's good news to hear too. I'll pass on now to Lillian.

Mrs Ross: I just have one quick question. Under the Rent Control Act, the administration under that I understand was \$22.5 million, and that's been reduced to \$18.5 million. Is that right?

Hon Mr Leach: That's correct. That's an annual cost.

Mrs Ross: Would you expect that any program you put in place of what currently is there would cost less than the \$18.5 million?

Hon Mr Leach: I would certainly expect that it would. The administration of the current rent control program is very administratively heavy; \$22.5 million is a lot of money just to look after a rent control program. I know the program they have in BC, for example, functions at substantially less cost than that. I would think that any tenant protections program we established could be administered at considerably less cost.

Mrs Ross: So would you expect that any savings that are found in that could be redirected to help with rent subsidies?

Hon Mr Leach: All of the administrative savings that we're looking at, and reductions in other programs within the Ministry of Housing, are funds that we would redirect into the shelter allowance program.

Mrs Ross: Okay. Those are all the questions I have this morning.

Mr Morley Kells (Etobicoke-Lakeshore): Mr Minister, I hate to do this to you, but I'd like to come back to the islands. Through the wonderful world of the fax machine, things came in last night, and it conjures up some more problems. As I said yesterday, I take the advice of Mr Bisson that we get on with governing and not talk about the past, but at the same time it's very difficult to get on with governing if we don't look back and see just how we get into some of these difficulties.

As some of you may recall—I'm sure the veterans like Alvin do—the NDP, in their wisdom, appointed I believe Richard Johnston, a former MPP, to take a look at the islands situation, and that's how they came up with the plan that was put in place in what I guess we now call the infamous Bill 61, which was passed, to my utter dismay, a couple of years ago. If you'll recall—I don't want to make this preamble too long—

Mr Michael A. Brown (Algoma-Manitoulin): Don't take any more than half an hour.

Mr Kells: It was the Toronto Star, indeed no particular friend of the government—I think everybody could agree with that—and a reporter called, I believe, Jack Lakey who really pointed out some of the reasons for concern down there. He talked in terms of, if I recall it, \$4 million, for example, would be needed to shore up the

water so you could even think of building there. I wonder where that \$4 million lies in your announcement.

He also talked in terms of who was living there. I don't even want to use the word "imply." He stated categorically that it was a great number of NDP supporters. He talked in terms of people from the planning department in Toronto, people from indeed your ministry. I'm sure you and I know members from your ministry—in this case, I'm talking about the Ministry of Municipal Affairs—who lived on the island. And he did talk in terms that the lawyer who wrote the legislation was indeed married to a staffer. I guess that all faded away into air eventually, but it did shock many of us and it did make us wonder just exactly why the islanders were treated in such a special way in where they're going.

As I said yesterday, I welcomed your announcement, and I particularly want to know just exactly what the debt situation was, how they could spend so much money in legal fees. It was my understanding that was being challenged by the ministry at one time.

Then I got some calls and I got some faxes last night. I'll just make comment on them. You're probably up to date on them too.

One is referred to as a Trust Bulletin, which is the trust itself, and the bulletin was issued last Friday. The headline on the bulletin is, "Tories Say Yes to Island Community!" and then the head up here, and I might have to read it into the record, says, "Go Figure." I'm quoting here, it says:

"Despite our best efforts," this is the trust now, "to delay the announcement of the government decisions until we could inform the community, the ministry"—the Ministry of Housing—"issued a press release just moments after our meeting yesterday (it was on my desk when I arrived at work) that was somewhat inflammatory (it sure lit a fire under the Sun; those of you who saw today's headlines must still be in shock)."

It goes on to say, "The press release refers to a debt of \$916,000....This is a gross misrepresentation of our financial situation and did not take into the account the projected revenues that have now paid off most of those set-up and infrastructure expenditures." I don't know quite what that means. Then it goes on to say, "The 'debt' has since has been paid down by islanders' lease revenue, interest income"—I don't know where the hell they got the interest income from—"and the repayment by the province of \$327,000 of our infrastructure expenditures. The current debt of the trust is under \$300,000 and is carried by the line of credit that is guaranteed by the province until June 28, 1996. Had the province allowed the trust to proceed in June with the development of the private leasehold lots and co-op as legislated, we would, of course, not be in debt at all."

I find that wonderful, because I don't know who was going to be paying for those co-ops. As you and I know there would be a heavy percentage subsidized.

Then it goes on to say, "The revenues from the sale of 20 private leasehold units will pay off the existing debt and give us some extra funds towards a loan fund to assist low-income islanders."

I wonder if you could comment on that, and I have received another letter too since then, so I just wonder if you could bring us up to date on what that means.

Hon Mr Leach: Okay. It gets to be a little bit of a numbers game. They were \$916,000 in debt. They have been selling leases to the people who live on the island on an continuous basis and the sale of those leases goes to pay off the debt, so that part is correct. I think they've got their debt down to about \$300,000-plus, \$325,000 or whatever the number was.

The \$327,000 that they refer to was infrastructure that was put in to service the co-op that was going to be built and we have reimbursed them. We cancelled the co-op and we reimbursed them for their costs; \$327,000 was a minor amount compared to the millions of dollars in subsidies that would have had to go to the co-op had it continued.

The legal fees were \$400,000-plus. As you know, that was an ongoing situation that went for years and years. I personally feel that those legal fees were excessive; however, they were incurred and became part of their debt and that's all part of the package now.

We're agreeing to the sale of 20 additional lots on the island. They're in-fill lots on existing streets that are already serviced, so there's no additional cost for infrastructure—water, sewers etc are already there—and that will pay off the remaining debt. That would eliminate any debt that the trust has, and our proposal is then to turn the island community back over to the city of Toronto where it could be looked after just like any other part of the city of Toronto community.

Mr Kells: Thank you, Minister. Just so I understand and so that anybody who might care understands, the people who are the island homeowners then, in response to purchasing a lease, are really purchasing the right to stay there with the property that they have. Of course, all the past debt that the public has incurred to keep them there is now long gone and this trust's sole revenue becomes what the public in effect gave them, and the fact is that people who happen to be homeowners there are the ones who are now trying to solidify their lease arrangement.

I think if I understand it correctly too, anybody who lives there, this is supposed to be their prime home, and I hope that's still the case.

0920

The first part of the bulletin went on to say that they were having a meeting last Sunday to go over the information in much more detail. I don't know who all gets this Trust Bulletin, but it says, "For those of you won't be able to attend, a fuller explanation will follow in a bulletin next week. But please try to come to the meeting; representatives from the province will be there as well to answer questions."

That meeting obviously took place, and I have—and I don't know if it's got through to your desk yet. Like all these things in life it says, "Personal and Confidential," but here we are.

Hon Mr Leach: We'll have to look on the bulletin board for it.

Mr Kells: Yes. It's directed to yourself and it says:

"Dear Mr Minister:

"Your announcement on Friday about the steps to normalize the island community through changes in Bill 61, the Toronto Islands Residential Stewardship Act, was

most welcome. Restricting the powers of the Toronto Islands residential community trust board is the only effective way to ensure fiscal responsibility. I congratulate and thank you."

Now comes the concerns that I'd like to get on the record, if we could:

"There is a concern, however, that the trust board did not get the message. On February 11, the board held an information meeting on Algonquin Island to present their plans, summarized as follows:

"Develop the 20 lots before the legislative changes take place so as to avoid the Planning Act." This is the trust now, trying to avoid the direction or the cabinet decision.

Here it is: "Develop the 20 lots before the legislative changes take place so as to avoid the Planning Act."

The next one is, "Conceal the location of the 20 lots, thus opening the possibility of using open public space."

And three, "Announce plans to work with the city so as to remain in charge after legislative changes."

There are three honourable points, if that's the case, the trust is hoping to pursue—

Hon Mr Leach: Sorry, could you repeat the last one?

Mr Kells: The last one is they want to make a deal with the city. If you're asking the city to take over the administrative, custodial affairs of the place, they want to "announce plans to work with the city so as to remain in charge after legislative changes." I guess it means that the trust still runs the place to some kind of satisfaction. I'll ask you in a few minutes, if I may, about the trust, who's going to run that trust.

But here's the crux, Minister: "More disturbingly"—I'm quoting from the letter again—"none of this was disputed by Janet Andrews or Larry Clay, members of your ministry, nor city councillor Dan Leckie, all of whom were in attendance."

The observation from the writer is, "To allow the trust board to go ahead with the intentions revealed yesterday would once again jeopardize any attempt at fiscal restraint, especially given their track record and their intent to develop some of the lots themselves."

I guess at this point maybe if you could comment it might be helpful.

Hon Mr Leach: First of all, staff that were there were there to answer questions. They were not to negotiate any kind of deal. They were just there to listen, and that's exactly what they did. I'll respond to that letter as soon as I receive it. It has not arrived on my desk as yet, nor has it arrived on the deputy's desk. Your mail is a little bit faster than ours.

There's a number of issues there and we'll deal first with the sale of the 20 lots to try and avoid the Planning Act. That cannot be done. I have a zoning order on all of the property on the island. The zoning order will stay in place until such time as the legislation changes. So there won't be anything happen in that respect.

The legislation will also control the size and makeup of the trust itself, so that will take care of that issue.

In so far as working with the city of Toronto, I would encourage that aspect. The island community is just another community in the city of Toronto and should be dealt with in that manner. So that should settle that one.

The whole attempt, of course, with the Toronto Islands is to try and resolve an issue that has been ongoing now for decades and to put an end to this very costly adventure that we've been in. There isn't any doubt about it, that this has been a sweetheart deal for the islanders. We have spent hundreds of thousands of dollars providing infrastructure, doing many things for a community far beyond what any other community in Metropolitan Toronto, or the province of Ontario for that matter, has received. But the goal is to resolve it, and I think the proposal that we have put forward at this time will do that and stop this ongoing exercise.

Mr Kells: I guess in leaving this subject once and for all, obviously whoever is sending me this material is an islander.

Hon Mr Leach: Yes. Not all the islanders are united, that's correct.

Mr Kells: It indicates that looking back at Bill 61, or looking back at the Johnston report that led to Bill 61 and the trust, obviously there are many people on the island who see through this, or saw the difficulties and also questioned the financing involved in the non-profit development.

To try and balance off how these things happen, because I do mention the NDP in this regard, it was a former Tory government and a former Premier who really got us into this mess. I recall this, being a Metro councillor—as the controller of Etobicoke, you served on Metro in those days—and I recall a number of us meeting with then chair Paul Godfrey to try and resolve it and to plead directly with the Premier, who did show up at the meeting. In fact, the meeting was up in the motel strip and he showed up with the deputy at that time, Ed Stewart. I recall very vividly that Stewart thought we were presumptuous to even be making any kind of overture to the Premier directly, and I don't think the Premier had any feeling for the concern that Metro had.

It obviously led to, a little later on, the Attorney General of the day, Roy McMurtry, saying that one thing we could not stand would be the thought of a bulldozer being seen on the island, bulldozing a home. Because we couldn't come to grips with that horrible picture of a bulldozer on Toronto Island, many millions of dollars and aggravation later, the rest of the people in Metro have been deprived of a public park and use of that island area.

There's not much that I expect you as the current minister to do; I just think a lesson is learned. It's far from a happy situation down there. I'm pleased with your answers. I'm sure that the personal and confidential letter, when you get it—they'll be pleased with your answers too. I don't know what else to say—

Hon Mr Leach: Who—well, never mind; I'll find out later.

Mr Kells: I can't even tell you who sent it to me because it's all whited out. Whoever sent it to you won't have it whited out. Anyway, I'd like to have it on the record.

The other thing, and it really relates to your responsibilities for the Ministry of Municipal Affairs: I really wonder, again a rhetorical question, how could that be? How could this thing—it went through our legislative

process. Regardless of who was the government, Bill 61 must have gone through a committee process; it didn't drop in out of the clouds. It must have been subject matter that many of my former colleagues—

Mr Michael Brown: I chaired the committee.

Mr Kells: I'm sorry, I don't mean to ask you a question, but I hope that at that time there would have been some debate on the viability of it, the fairness of it, the impact on the taxpayer. Or was it just a subject that they decided to get through the wringer and get done?

Mr Michael Brown: We can read it tomorrow from the Hansard.

Mr Kells: Well, we possibly can do that. I do recall that I didn't hear either the Conservatives or the Liberals commenting on the Toronto Star stories that brought out some of the problems in Bill 61 and also brought out the problems of who's living there. I went down and saw this with the Toronto Star reporter at the time, and he was being fed material left, right and centre as to who the incumbents of the homes on the island were and are.

If there's anything that leads the public to be suspicious and discredit the profession that you and I are in, it is activities of this nature. Whether or not you want to defend the trust or even get into the history or how it got this far, the point is who is living in those homes and how they got there and what control they had over the process that led to the legislation, which is the law of the land. That's the kind of thing that turns people off the democratic process, and indeed leads to people charging our doors out there, whether it be students or truck drivers or whoever.

0930

I don't mean to tie it all back into civil disobedience, but I'll tell you, when you have a mess like this, and even as you're trying to straighten out the mess you have the people on the trust in effect challenging the authority and the legislative power of the government, then you can see how we got to this point. With all due respect, that's the end of my sermon. I just hope that's the end of the island and it settles off nicely.

Hon Mr Leach: I hope it is. As you're aware, it's going to require changes to legislation. That legislation will be subject to review in the Legislature and probably by committee, so everybody will have another opportunity to comment on the appropriateness of the arrangements we've made. I think they're reasonable and I think this is an opportunity to resolve the situation once and for all. If we can do that and put it to bed, I think the people of Ontario will be well served to get out from underneath a boondoggle.

Mr Michael Brown: Just to help Mr Kells, there were full committee hearings and the public did attend. I remember just because I was a Chair of the standing committee on general government that heard that. The public was here, there were lots of cameras, there were lots of press people, people like Mr Stockwell were very entertaining, and all the issues were explored.

Mr Kells: The government of the day had a majority at the time.

Mr Michael Brown: Exactly. We know how that works around here. All of us do.

Just getting back to issues I think are important to some of the constituents in my riding, Minister, is there

a reorganization of the housing authorities going on? In other words, a consolidation of housing authorities?

Hon Mr Leach: Yes, the chairman of OHC is undertaking a review of the local housing authority organizations. There hasn't been any finalization of that review; as a matter of fact, it has just got under way.

Mr Michael Brown: What's the mandate of the review, do you know?

Hon Mr Leach: Just to see how the local housing authority function is working, whether there are ways and means of improving the organization, to streamline it and make it more efficient. I think it's appropriate on occasion to review organizational structure to make sure that it's working in the best interests of the citizens of Ontario. That's what going on now.

Mr Michael Brown: So it's an efficiency, value-for-money review.

Hon Mr Leach: Yes, a complete review of the structure. Right now, the local housing authorities—I believe there are 53 of them—are independent organizations that hire and fire their own staff, are responsible for their financing etc. We just want to review it to ensure that's the most efficient way to do business.

Mr Michael Brown: The boards, I believe—are they 50% appointed by the federal government and 50% by the provincial?

Hon Mr Leach: It's one third, one third, one third. They all require an order in council, they all require approval by the Ontario government, but representatives are nominated by the federal government, by the municipal government and by the province.

Mr Michael Brown: I just want to flag that issue. I've heard from one of our local housing authorities, the Manitoulin-Espanola housing authority, and there's been some concern expressed that, in an amalgamation perhaps with a larger board, Sudbury or something along that way, local input would really be eliminated. They may have a voice or two but, compared to the issues in a place like Sudbury versus a place like Espanola or Little Current or wherever, they may be relegated to obscurity almost. I just want to bring to your attention that there is concern in many of the smaller communities across the province that they may have some difficulty in coping and they believe would probably provide less service to tenants and to the community than can be done by a community board that's more aware of what's going on in the area.

Hon Mr Leach: The boards are all voluntary, as you know. They don't get paid anything for their services. So when you have a voluntary board that's working providing the services at no cost, they are obviously people who are dedicated to the system. We'll ensure that there is a mechanism so organizations like that can be heard. As I said, there haven't been any decisions made on the final structure that's going to be there, if indeed there is any change.

Mr Michael Brown: If after the review it is felt there is a need for change, and I suspect at least in some places there will be, does that require the federal government to be involved in the decision-making?

Hon Mr Leach: No, it's just the province that approves the appointments. The federal government and the municipal government nominate people to us.

Mr Michael Brown: I wasn't worried about the appointments per se, but if you're changing the way the authorities are organized, does that require—

Hon Mr Leach: No, it's strictly a function of the province. It doesn't require any approvals from the municipal government or the federal government, although they obviously will be consulted while we're undertaking the review.

Mr Michael Brown: I would also raise a concern I've had from at least some tenants who are in what we would think of as seniors' buildings in my area. There has been a concern that in some of those buildings there are people other than seniors being placed in units. In other words, there are younger people, not seniors, being put in the units because there is a need for housing. I wonder what the minister's view of that policy is. It does at times raise concerns with the seniors.

Hon Mr Leach: I think what we strive to do is to provide shelter for as many as we possibly can that are in need. If there is a vacancy in a building that is predominantly for seniors, I would prefer to see somebody make use of that accommodation rather than have it stay vacant.

Mr Michael Brown: I think we all would agree that the concern is sometimes that there are also seniors on the list; it's just that someone may have more need who is not a senior. On the points system, there may be someone who has more need than the senior for housing, and there doesn't seem to be a substantial preference for seniors.

Hon Mr Leach: Actually, the points system is being revised and we've gone to a system, I think effective January 29, that is on a first-come, first-served basis, with consideration being given to special needs.

Mr Michael Brown: Could you try that one on me again?

Hon Mr Leach: When you register, we'll take people off the waiting list in order of seniority, so to speak, with special consideration being given to those with special needs. The problem we were facing is that with the points system, we were finding people who were on the waiting list forever. They would get almost to the point where they were the next on the list to get subsidized accommodation, and three or four more would arrive with one more point, for example, and down they would go to the bottom again. We felt that for fairness and equity the length of time you've been on the list should be taken into consideration as well.

Mr Michael Brown: On another issue, going back, yesterday we were talking about goals and targets—at least I was; I guess you weren't. But I'm interested to know what role you believe your ministry has in promoting private housing. We all know if we've wandered around Toronto that where there is residential construction, I would suggest most of it has been in the condominium area. There have been some units built, not as many as anybody would want, but there have been some condominiums built over the last few years, and I see there are some being built now. That has obviously affected the rental sector. There is also the private home, single-family dwelling that is being built, not as many as we want by far.

0940

What do you see your role in the ministry as doing to encourage, if that's what you wish to do, the construction of the private, single-family home, the condominium, which I think is one of the reasons that seniors are now being accommodated in ways they weren't 20 years ago?

Hon Mr Leach: Obviously, it's a major role and responsibility of the Ministry of Housing to ensure that both public and private housing are looked after. A number of the changes that we're making to the Planning Act at the present time, in fact in the committee room right next door, will go a long way to encouraging and assisting the private sector in getting on with the provision of private homes by making it easier to get developments approved, by streamlining the operation, by getting rid of the red tape etc, speeding up the process in which developments can get through to the OMB for review, for example. All of those functions go towards encouraging the development of private houses.

There are a number of other issues that are being undertaken right at the present time. We're reviewing the Development Charges Act, for example, and several other pieces of legislation that will encourage it.

Mr Michael Brown: What it seems to be you're attempting to do—and I don't think anyone argues with the attempt to streamline processes and make them work better. That just makes sense. We get a little concerned, though, about what streamlining might be a code for sometimes in terms of whether the public really will be heard on changes to zoning and those kinds of issues and whether the environment will be protected. Everybody knows the process as it stands today is pretty difficult for anybody to get through, and that costs money. At the same time, I at least am concerned that in that rush to streamline, we're going to forget about some of the other values that make our cities and towns and villages good places to live.

Hon Mr Leach: That's why we put out the policy statement for public consultation in January. It's still out with the public. We expect responses back in March on the policies of the province to ensure that there is strong protection for the environment, for example. Bill 20 is before committee at the present time, and the committee will be travelling around the province to ensure that all interested groups have an opportunity to comment and provide input into the legislation before it's finalized.

Mr Michael Brown: Your approach appears to be, at least from what I see, that a reduction in barriers will mean a boom in rental accommodation, a boom in single-family accommodation, a boom in condominiums by reducing the barriers; the problem in Ontario has strictly been barriers. Is that the view of the ministry?

Hon Mr Leach: It's certainly one of the major problems. The ability to get an approval for a project could often take years and cost a substantial amount of money while developers would be sitting on high-priced land, for example, paying high interest charges and taking two and three years in getting it through.

Mr Michael Brown: I understand that.

Hon Mr Leach: That all drives up the price of accommodation, whether it's a condominium or a rental unit or a single-family home. If you can reduce those

barriers, if you can streamline that process while still ensuring that the public interests are protected and the environment is protected, I think that's the direction we should go.

Mr Michael Brown: We're not arguing about that.

Hon Mr Leach: Yes, I know.

Mr Michael Brown: But I'm wondering if there is a proactive housing policy. In other words, what are you doing to interest the private sector in providing these buildings that in many cases government will no longer provide?

I'm pretty puzzled when I sit here and listen to any government, whether it's yours or whether it was ours or the former government, talk about the private sector providing new rental accommodation for low-income people. The price of units, regardless, ends up being pretty high. I don't know how you're going to get around that.

Hon Mr Leach: There are a number of issues that can be addressed to reduce the cost—if you're talking about rental accommodation—to reduce the cost of building. Changes in the tax laws, for example, should be reviewed. Right now, as I mentioned, on an apartment complex you pay 7% and if you're building a condo you pay 4% on materials. That doesn't make any sense to me, but that drives the cost of rental accommodation up.

Mr Michael Brown: But you and I both know, when we talk about taxes, that what's unfair to one, certainly somebody else believes is more than fair. So if you're transferring the burden from someone, it goes to someone else. It's not as if it just goes off and escapes into Never-never Land. If you take taxes from apartments, that money then has to be found in some other sector, whether it's residential or commercial or industrial assessment. The money's got to come from somewhere.

Hon Mr Leach: What you want to do is ensure that there's a level playing field, so that when developers are looking at the type of accommodation that they're going to invest in, all types can be dealt with on an equal basis. If there are price advantages and tax advantages to building private residential homes vis-à-vis condos or apartment buildings, then obviously those that are investing the money are going to choose the option which is most beneficial to them. What we would like—or what I would like to do, at least, is to ensure that the playing field is as level as we can possibly make it.

Mr Michael Brown: We could all say, as politicians, that it should be level, it should be equal, the market should make its choice, but the reality is, and you're about to jump into it, and we all know, with market value assessment, actual value assessment, whatever you want—the fact is somebody's going to pay more and somebody's going to pay less. The reality of that in this business is always interesting, to say the least. Usually you find the people who are going to pay more find it most unfair and the people who are going to pay less will find it extraordinarily fair.

Hon Mr Leach: It's amazing how you very seldom hear from those people who pay less. But I think if you talked to the vast majority of citizens in the province of Ontario, everybody is willing to pay their fair share. If you talked to individual homeowners and say, "We want

to put in a system that's fair and equitable to everyone and this may cause an adjustment in your taxes, but I can assure you that it's a fair and equitable system and everybody will be paying accordingly," the vast majority don't have any problems with that.

I know in discussions around the GTA on taxes, people get concerned, obviously, about increases in taxes, and change always causes concern. Everyone I have talked to says, "I don't mind paying my fair share." That's what the process is all about, trying to level the playing field, trying to make it fairer and equitable.

Mr Michael Brown: Could the ministry tell us what the projection is for new housing starts in Ontario over the next years? Does the CMHC do that or do you do that yourselves?

Mr Daniel Burns: Do you mean in 1996?

Mr Michael Brown: Yes.

Mr Burns: What we do is collect the forecasts of the principle organizations that forecast housing starts and work with the Ministry of Finance in Ontario to produce a consensus outlook, which the Ministry of Finance then uses as an ingredient in its building of a general model of performance for the Ontario economy. So typically in an Ontario budget there is a discussion about the outlook for residential construction. We don't do a separate piece of analytical work ourselves, we rely on those other pieces. They include—

Mr Michael Brown: Is that a state secret or do we know?

Mr Burns: —the Canada Mortgage and Housing Corp and a couple of the banks. Those are not secret. I don't know whether we have them with us today. If we don't, we'd certainly be happy to prepare a letter for the minister to send you which contains the outlook of the principle forecasters who operate in the housing market, like Canada Mortgage and Housing and a couple of the major banks.

0950

Hon Mr Leach: They publish that on a regular basis.

Mr Michael Brown: I'm interested in that answer because I'm seeing a minister who tells me about shelter subsidies and the fact that there's going to be more private sector involvement building rental accommodation, there are going to be all these wonderful things happen because the private sector's going to jump right in there and do all these things. We know that residential housing in Ontario has been dreadful, the number of starts we've had over the past four or five years, maybe even six years.

So in all this you're trying to wrap your head around how are we going to accommodate the people of the province of Ontario in a way that is cost-effective to government, because what we don't have to be involved in we shouldn't be, but there are still people who need us. How this is all going to happen, I just don't quite understand when you tell me that there really isn't going to be much more money put into the shelter subsidy program because you're not going to have it. You're not going to save much more money from the non-profit or co-op. You told me that yesterday.

Hon Mr Leach: Obviously, with 100,000 people on a waiting list for assistance, you're not going to resolve

that overnight, and what we're planning to do is develop shelter allowance programs that we will be able to apply to those most in need, low-income families and seniors to begin with, and redirect savings as we incur them in various programs. But, obviously, I agree with you, it just can't be resolved overnight. It's been a situation that's existed for many, many years, as we all know, through all levels of government and all parties. I think what we're trying to do is to strive to provide as much assistance to as many of those in need as we possibly can.

Mr John C. Cleary (Cornwall): I guess the question I would have that I've had many letters and many conversations about—architects and design people who wanted to get involved in designing these complexes—and the government had a list of only a few people they would approve the project. They had a list and they were the only ones eligible to design the project.

Hon Mr Leach: I'm not aware of any list like that. The assignment of work to an architect or a builder or whatever would be the responsibility of the sponsor group for the condominium project, not of the provincial government. The only thing we would want to ensure is that they were qualified and professionals.

Mr Cleary: So it was the local group, not the provincial government then.

Hon Mr Leach: Yes. The agreement with the architect, the tender for the building, for example, is all under control of the local condominium sponsor group.

Mr Cleary: Because some of them have asked me how they would get on that list.

Hon Mr Leach: They would have to talk to the sponsor groups of the condominium projects and make sure that they had an opportunity to present their qualifications.

Mr Cleary: That's what I wanted you to say, because we've been getting the runaround, you know.

Hon Mr Leach: It's obviously in the best interests of anybody who's undertaking either a non-profit or a condo development to ensure that they get the best price they possibly could, at least we hope they would. We know in some instances they didn't. But they should try and attract the most qualified professional people to undertake the work for them.

Mr Cleary: Another question: It would be rural Ontario more so than places like Toronto, but is the government going to insist on both services available for a housing complex to go ahead?

Hon Mr Leach: Water and sewer, are you talking—

Mr Cleary: Yes.

Hon Mr Leach: Certainly it's desirable, if you're undertaking any sizeable development, that water and sewer be available. There are exceptions to that, obviously. If you're building a certain size of development it can be done with another system, or if it's a single dwelling and all of the conditions on the site allow for it, you can do it with local well and septic.

Mr Cleary: Yes, like, speaking of our area, one service could be available. But we were of the understanding—rumours we heard around here in the past four or five years—that it was going to be almost impossible to develop a development without both services.

Hon Mr Leach: Well, it's desirable to have both services and I would think that if it's any sizeable type of

development it would be in the community's best interest to ensure that both services were available. The Planning Act, which is being debated next door before a committee, is addressing a number of those issues and you may want to take the opportunity to ask them questions in that committee on that act.

Mr Cleary: I was sitting in on part of that yesterday, listening in the back, but it didn't happen at that time.

In these housing units, is it still the 25%—I don't know what the percentage could be—available for disabled people?

Hon Mr Leach: No. Well, actually, we're not building any more condominiums, but the percentage of rent geared to income and so forth is specific to each co-op, and it's in the agreement I think that so many units have to be supplied to rent geared to income, and different types of co-ops have different regulations or different conditions as to the individuals or class of individuals who are in the units.

Mr Cleary: But in the seniors' there are disabled people under the age of 55. Are there any thoughts of any changes there?

Hon Mr Leach: No, that would depend on the agreement that exists with each co-op unit.

Mr Burns: In most communities we have more units that have been retrofitted to accommodate the physically disabled than we have people waiting for units that have been redesigned for the physically disabled. In many communities we have one or two projects that sort of specialize in helping those particular households.

Mr Cleary: In our particular area, there are seniors' buildings that have the elevators, so that there are quite a few disabled people in there, and I'm just wondering if any change is going to happen there.

Hon Mr Leach: No, there are no changes proposed.

Mr Cleary: The other thing: Who is responsible for hiring the administrator at the present time?

Hon Mr Leach: It's the board of the co-op.

Mr Cleary: It's the board. Well, it wasn't always like that. In our particular area they were appointed right from the province when a project started. I'm talking about senior citizens' buildings.

Mr Burns: In senior citizens' buildings that are run by the local housing authority as part of the Ontario Housing Corp, at the moment the administrator would be appointed by the local housing authority. But there was a period in time when the local housing authorities didn't exist and the whole system was run directly from Toronto.

Mr Cleary: That's right.

Mr Burns: Minister Bennett, about 15 years ago, put the local housing authorities in place. Before he moved to create the local authorities, the administrator would have been appointed by the crown corporation itself, meaning the regional office or even the head office. That doesn't happen any more.

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Hon Mr Leach: You're too young to remember.

Mr Cleary: Well, I remember.

Anyway, getting back, I don't know in most areas, but in our area they're housing at 150 points right now, 155. I understand you're not going to change that, that if you have those points you could be eligible anywhere in

Ontario? If some people from Toronto moved into our area, say, and they were the highest points, they're eligible automatically, right off the bat?

Mr Burns: I believe, and I'm going to look to see if I misspeak myself, that you can apply anywhere in the province for units anywhere in the public housing system. In the normal course of events, people want to stay in their own communities, so they apply and typically, actually, what they do is they identify the areas in their own community that they're interested in. But it is a provincial crown corporation, and if someone in Brockville who perhaps grew up in Cornwall wanted to apply and be on the list in Cornwall, they can do that.

Mr Cleary: I know, and I agree that it's the right way to go, but we get on the firing line lots of times when outsiders come in and take their place. I mean, I think it's a fair way the way it is now. It wasn't always like that, because I can remember when it was the other way too, and it wasn't fair.

The other thing is, you tell me that you're getting out of the business. Right now, the mortgages on those units should be helping the provincial government quite a bit, with lower mortgage rates. Am I correct?

Hon Mr Leach: It's been our stated goal to try and get out of the bricks and mortar business. I'm sorry, I missed part of the question.

Mr Cleary: Maybe I could start again.

Mr Burns: I can comment on the second part. Yes, we are benefiting, because over the last two or three years interest rates have dropped. It is reducing the cost of maintaining the program.

Mr Cleary: When we were opening those over the last 20 or so years, they had said a mortgage for X number of years? Are you locked into the rate there?

Mr Burns: In the non-profit and cooperative program it's 35-year mortgages for the new buildings and typically 25 years for purchase and rehabilitation, but they are on three- to five-year renewals. So we have a very important program where we try and manage our costs and risks in that particular area, and we've been doing very well in the last few years.

In public housing, it was financed in a different way. The public housing, run by the local housing authority, was financed by 50-year debentures issued by Canada Mortgage and Housing Corp. They don't roll every three to five years, but three years ago we said to CMHC that the high-interest-rate debentures—either they lowered their interest rate or we would refinance it, because it was too much, and they agreed to refinance everything that was above the interest rate of that day. We saved and continue to save about \$5 million a year in Ontario Housing Corp from that transaction alone. So we do have a very aggressive program of managing our exposure in real estate debt.

Mr Cleary: That's what I hoped you'd say, because I get collared about things like that occasionally. If that's the case, that's good.

The Chair: Thank you, Mr Cleary. You have expended your time; I will consider you in the next round.

Let me just make some points here now. As I said when I started, it's four hours and 48 minutes. We gave up an hour yesterday; it's three hours and 48 minutes. Is

it agreed that we could end the Housing estimates by midday? That's the good news. The bad news is that there will be no breaks; I'm used to no breaks, actually. The Conservatives have agreed to give up their time, and in giving up their time the consideration is that we will give that time up in completion of the estimates too.

Mr Gilles Bisson (Cochrane South): I take it we have unanimous consent for that.

The Chair: I'm sorry. Do we have unanimous consent on this?

Mr Bisson: All right, so we'll split the time between us and the Liberal opposition for the remainder?

The Chair: You may regret it.

Mr Bisson: Good morning, minister.

Hon Mr Leach: Good morning. How are you this morning?

Mr Bisson: Doing quite fine. I hope you had a good night's sleep.

Hon Mr Leach: Oh, yes. I have a clear conscience.

Mr Bisson: There are a couple of questions I want to get to, now that you've said that. I guess there are a couple of things I'd like to get into. Let's go back to the non-profit issue. At this point, just so that we understand not exactly, but in the general direction of where you're going, the move of the government to try to privatize or to sell off some of the Ontario housing stock would strictly be in the Ontario Housing and non-profits, if possible?

Hon Mr Leach: Yes, I think we indicated that the 84,000 units in OHC are the group we're looking at.

Mr Bisson: Are you looking at the private non-profits at all? I'm wondering how that would be done.

Hon Mr Leach: They belong to the sponsor groups, actually; they don't belong to the Ontario government. I mean, you can't sell something you don't own.

Mr Bisson: Yes. I only ask that to clarify the record, because at one point I saw a media report where one of the government members had mentioned privatizing or selling off some of the non-profits. I take it that was a mixup in terms.

Hon Mr Leach: Yes, I think often the terms get intermingled by people and they get confused between co-ops and non-profits and OHC units etc.

Mr Bisson: In the attempt on the part of the government in your estimates to be able to live next year within the means of a smaller budget, I take it, like every other ministry, you as minister are going to have to offer up some money to the Finance minister. It means to say that you've got to save somewhere. I understand that process; I've been there before. How do you intend on dealing with the subsidy that you pay, let's say, with the non-profits or the co-ops at this point in regard to their operating subsidies? Do you have any idea that you'll be reducing that? Can you give us information on that?

Hon Mr Leach: Yes, we're proposing to work with the co-ops and the non-profits to try and streamline their operating procedures to ensure that they work as efficiently as they possibly can and in that way gain some cost savings.

Mr Bisson: There are two different ways, as you know, to taking that approach. One approach is, you say to a non-profit or co-op, "You will have your operating

subsidies reduced by X per cent," and then the reduction forces the efficiency, or you can come at it from the other way, which is, "We want to sit down with stakeholders and figure out what can be done internally in order to do it cheaper." Which of the two are you looking at, at this point?

Hon Mr Leach: I'm opposed to straight, across-the-board cuts, because I think that method penalizes those that are working efficiently at the present time, and there isn't any doubt that there are many co-op units that work as efficiently as the private sector. There are many that don't, and what we want to try and do is to ensure that those that aren't working as effectively or efficiently as they can start to bring their procedures in line.

Mr Bisson: So you'd be opposed to a straight, across-the-board-cut approach then?

Hon Mr Leach: Yes.

Mr Bisson: All right. So then if you come at it the other way, obviously that's more difficult to manage. Part of the criticism that we got as a government, in fairness to the public, was that a lot of our approach was to try to figure out how you sit down with stakeholders, for an example, in long-term care, and go through a process of redesigning the system so that you're able to afford to offer the services. Do you have any idea what kind of process you're going to be going through at this time, or is it still too early to give us an idea?

Hon Mr Leach: They're still developing that.

Ms Patti Redmond: I'm Patti Redmond. I'm a manager in the non-profit area.

We are sitting down with the sector organizations for both the non-profit and co-op providers and looking at what their manageable costs are and, with benchmarks, trying to determine who is operating at higher levels than others and targeting the constraint in that way. We're also looking at where we can work together to streamline requirements, because as was said yesterday, a lot of what these costs involve are their administration costs, and what aspects of their operations we can jointly try to streamline in order to make the constraint easier for the non-profits and co-ops to manage. We're doing that in conjunction with their sector representatives.

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Mr Bisson: Just for the record, for Hansard, I think it would be useful if you would just explain—and I think the government members may not know this; no fault of their own, it's just that it's quite a field—how non-profits are funded, the different pots of money they get through the shelter allowance, from GWA or FBA to the operating subsidies. If you could just explain that.

Ms Redmond: Obviously, we provide a monthly subsidy cheque to non-profit housing providers that is comprised of essentially the difference between what their total operating costs are—which are their mortgage payments, their taxes, their utilities, their maintenance and their administration budgets—and how much they receive in revenue. That's both a combination of their market rent revenue and their RGI revenue and what we call non-rental revenue, which would be laundry, parking, things like that. So that's what we provide in subsidy.

We've talked earlier about the fact that we sort of divide that between what we call a bridge subsidy, which

is essentially the difference between the market rent and those operating costs, and an RGI subsidy. But what we actually provide non-profits is a single subsidy which measures that difference. So the RGI would be comprised of people who are on GWA or FBA, that kind of thing.

Mr Bisson: I recognize that if you're going to try to reduce those, there are certain commitments that the non-profit has to keep up to: paying the mortgage, paying the hydro etc. I take it what the minister is saying is that he doesn't want to get into doing an across-the-board cut of the monthly subsidy that they receive, if at all possible.

Ms Redmond: That's correct. What we did in the past was we did provide an across-the-board, so every single provider in the system received the same level of reduction. This year we want to make sure we target that to those that are operating less efficiently; in other words, they have higher costs than other providers. So that's the difference and that's what the minister is referring to, that we want to have a system that tries to look at not reducing everybody the same, as was done in the past.

Mr Bisson: The ministry would have at its disposal how much it costs to run each of these non-profits, based on their actual cost and what they're getting as a subsidy from the ministry. Can you provide us, this committee, with that? Is that something fairly easy to—

Ms Redmond: You mean in terms of the average cost for providers?

Mr Bisson: I would be interested, for example, in looking at, say, Timmins non-profit housing and some other non-profit somewhere else and saying: How much does it cost them to run their units? How much are they getting per unit? Let's say they're managing 500 units in that housing authority, compared to another 500 units, to take a look at what some of the differences might be. Could you provide us with that?

Ms Redmond: We have cost data on our non-profits, obviously, so depending on—do you want it for specific providers or averages across the system?

Mr Bisson: I would like to have it for specific providers, if that's not too much trouble. Is that possible or is that an enormous amount of work here?

Mr Burns: It's a significant amount of work, but we could do it, because we've got a database now.

Mr Bisson: I would take it it's in a computer. There must be a way of pulling that out.

Ms Redmond: We have a good database now.

Mr Bisson: I remember that; it cost us a lot of money. So the answer is yes, you can provide us with that?

Hon Mr Leach: I'm assuming that there isn't any legal problem or freedom of information issue. Provided that there isn't any impediments in that, certainly it's available.

Mr Bisson: Yes, I know the non-profits in our area used to provide me with that locally, just so that I knew what their issues were and where their pressures were when it came to our government, how we were dealing with subsidies. So I used to get that for my area.

Ms Redmond: Yes, we provide data to the sector organizations as well. We will look at the FOI implications of identifying specific costs with specific providers, but we should be able to provide you with information.

Mr Dino Chiesa: On the question of what scale, we have 2,400 projects and 1,000 groups.

Mr Bisson: I'm talking housing authorities here.

Mr Chiesa: Oh, I'm sorry; you're talking housing authorities, local housing authorities?

Mr Bisson: Yes.

Ms Redmond: I thought you were referring to non-profits, Mr Bisson.

Mr Bisson: I'm sorry. I should have been clearer.

Mr Chiesa: If you're talking housing authorities, we could provide that. I have it with me, actually.

The Chair: Just for the record, could we start identifying ourselves. We have a lot of different conversations going on, and I'm not quite sure Hansard is picking them all up. Dino, could you introduce yourself again?

Mr Chiesa: Dino Chiesa, acting CEO of the Ontario Housing Corp. I was just asking a question as to what kind of information. If you're asking specifically on housing authorities, there's not a problem; it's public information. We'll provide it to you. I have it with me.

Mr Bisson: That's what I was looking for, but now you've piqued my curiosity and interest. I don't want all non-profits, but can you give us some sort of gist? Is there some sort of document you can provide us with that says, "Here's what it costs in the north; here's what it costs in the south," on a couple of non-profits just so that we can take a look at it?

Mr Chiesa: Not a problem. Yes, we will.

Mr Bisson: Moving on from there, here's the gist of what I'm getting to: You recognize, and I think the minister recognizes as well, there are only so many things you can do to affect the cost of running an individual non-profit. A housing authority would be a little bit of a different game, but still there are only so many things you can do. What kind of process are you looking at undertaking? Are you looking at working with the associations? Where are you going with this and what are your time lines?

Ms Redmond: Obviously, as I said, we are working with the associations, and you're right: We're trying to look at the different components of their budget structure. So things like their mortgage payments, although we've made some very good savings with respect to interest rates in our strategies there, it's not really within the control of the non-profit or co-op itself. It's the same with their taxes and utilities. We have been focusing our efforts on what we've been calling that component of their costs called "manageable."

I think as we said the other day, there is a very wide variation of costs among non-profit and co-op providers in that area of manageable cost. We're just trying to look at why some are able to operate at much lower cost as compared to others. We're sitting down with the sector organizations to work through that. When we look at constraining their budgets, we're looking at actually doing it differentially. In other words, those that have higher manageable costs on average will receive a greater proportion of the constraint, but we are looking at some of the factors that do contribute to those higher costs. In other words, I think we talked last week about special-needs providers. Given some of the needs of their tenants, in some cases they have higher administration costs than may be necessary in other projects, and it's trying to get at that.

Another issue is very small providers who don't have the economies of scale in order to operate, so to try to look at those things, and we're doing that with the sector organizations so that when we do reduce their budgets, when they are provided with constraints, it is not an across-the-board, "Everybody gets the same amount," and those that are inefficient are essentially not taking the same level of cut as those that have been operating efficiently over the years.

Mr Bisson: Would there be any attempt, in communities where more than one private non-profit exists, to do some pooling of resources?

Ms Redmond: The sectors have actually tried to do some of that pooling. It's been effective in terms of trying to deal with constraints. We think there are greater opportunities and we certainly do encourage it. That's another issue with respect to economies of scale. Some of the very small providers getting together in order to be able to reduce their administration costs is part of what we're trying to do with respect to the constraint. We're moving on this very quickly, obviously, because it's going to affect their 1996 budget portfolio.

Mr Bisson: Thank you. I take it what I'm getting here as an answer is that you're going to be doing everything you can in order to figure out how private non-profits in this case are able to run more efficiently, but that in the end the ultimate goal is, you're going to have to reduce their operating subsidies, their monthly cheque, to a certain extent. That'll drive the efficiency at one point.

Hon Mr Leach: Yes.

Mr Bisson: That's a bit of a contradiction to what you said a little while ago, though.

Hon Mr Leach: No.

Mr Bisson: I don't want to get argumentative here, but a little while ago, and I was happy that you answered the way you did, I asked whether you are taking this from an approach of reducing the budget in order to create the efficiency, and the answer was, "No, we're trying to make the changes."

Hon Mr Leach: We're going to create the efficiencies which will reduce the budget.

Mr Bisson: And then take out an equal amount of money that you find in the efficiencies.

Hon Mr Leach: Yes. I think as the staff just indicated, they're going to be dealing with each of the non-profits.

Mr Bisson: All right. As long as that's clear. So what you find in efficiencies, you'll then remove from the subsidy? That's yes?

Hon Mr Leach: Yes.

Mr Bisson: Okay. Thank you very much. I appreciate that. If you can provide that, that would be useful.

Again within the non-profits—I think I already know the answer to this question but I'll ask it just for the record—you don't foresee, in your attempt to find efficiencies within the private non-profits, and eventually a reduction in their transfers, putting them in any kind of danger of not paying their mortgage—in other words, going broke? You don't see it getting to that?

Hon Mr Leach: As the staff pointed out, we're looking at and trying to reduce the manageable costs by becoming more efficient. That's the goal.

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Mr Bisson: Just so that you know where I'm coming from, some of the non-profits that are talking to me—I imagine some of them who are going to you are saying the same thing—their fear is that the subsidies they receive from the Ministry of Housing will be reduced and will put them in jeopardy of not being able to pay their own bills at the end. They don't have a clear understanding yet where they're going to be at, but it's reassuring to me that you're telling me that the intent of what you're doing here is not to put the non-profits out at risk; it's to find efficiencies and not to underfund them to the point that they have to shut down, in other words.

Hon Mr Leach: Absolutely. As was pointed out by the staff, those fixed costs, the mortgage, utilities etc, are being removed from the equation and we're looking at reducing the manageable costs.

Mr Bisson: I'm going to be direct. I don't do this to be argumentative, but just so you know where I'm coming from: There are people out there who think what the government is up to is to underfund the non-profits and thus force them into bankruptcy. I'm being really blunt here. That's not the intent of the government?

Hon Mr Leach: I don't know what the government would gain by doing that.

Mr Bisson: I know, but for the record, that is not—

Hon Mr Leach: We'd be out a lot of money and there would be a lot of people out of accommodation, so that doesn't make any sense to me whatsoever.

Mr Bisson: Okay. But you agree with me that's not where the government is going?

Hon Mr Leach: Yes.

Mr Bisson: That's what I've been telling people, believe it or not, and some people don't believe me on that one. So I can use your comments in order to reassure them.

The other thing, just moving on to the housing authorities in the other group of housing: There are larger efficiencies that can be made there, I would take it, in comparison to the non-profit housing authorities.

Hon Mr Leach: Yes.

Mr Bisson: We're talking local housing authorities now. I take it larger efficiencies can be made, based on what you said yesterday, with the housing authorities, by the fact that yesterday you said some of the things that you're able to do and that you're looking at are possibly changing the tendering process by which they procure goods and services, possibly—I'm trying to be polite here—moving away from collective agreements to a contracting-out proposal—

Hon Mr Leach: No. I didn't say that yesterday.

Mr Bisson: Could you clarify? That's how I interpreted what you said yesterday.

Hon Mr Leach: What was said yesterday was that the costs for local housing authorities or public housing are often more expensive than the private sector as a result of those issues. The public sector has to tender, the private sector can negotiate, and as a result, often the operation of a public sector complex is more expensive.

Mr Bisson: On those two issues, the issue of tendering and the issue of contracting out, I understood yesterday or Thursday, whatever day we had this discussion, that

there was a recognition by the government that this added to the cost of operating the housing authority and that it was something the government was looking at changing. What you're telling me is, you don't intend to change the tendering process?

Hon Mr Leach: No, we're not proposing change.

Mr Bisson: You don't intend to force housing authorities to contract out services that are presently provided under collective agreements?

Hon Mr Leach: We would suggest to housing authorities all over that they operate as efficiently as they possibly can. If there are means of obtaining more cost-effective ways of doing things, they should explore every avenue they have available to them.

Mr Bisson: Okay, but my antenna goes up now. I know a lot of people, as you do, who work for housing authorities. They happen to be under contract with one union or another—CUPE, whatever it might be. They get paid probably not enough, in their eyes, but more than you would get in the private sector. Are you saying what you're possibly looking at is allowing the housing authorities to contract out services that are presently being offered through collective agreements?

Hon Mr Leach: I think that would be up to the individual authorities when they're negotiating their labour contracts. That's what negotiations are all about. There's no intent of this government to interfere with the negotiations of the local housing authorities and their unions.

Mr Bisson: But the intent of negotiations is never to negotiate away your collective agreement to where a contractor does your work. I'm just trying to get some assurances here.

Hon Mr Leach: That's up to the local housing authority and the unions that they deal with. They negotiate the contracts. The contracts are not negotiated at Queen's Park.

Mr Bisson: But I understand the fear of the workers who are working for those housing authorities. I know the people who work both in the Iroquois Falls and Timmins area, as well as some of the people down here in Toronto who have come to see me, are really worried because of changes that were made to the Labour Relations Act and also changes that were made under Bill 26. It is a lot easier for the housing authority, under the new law, to disband unions and go to contractors because there are now no longer any successor rights in collective agreements.

I guess what I'm asking you is, is it the intent of the minister, in order to follow that approach that has been taken by the government and the municipal sector, to do the same within the housing authorities? That's basically the question.

Hon Mr Leach: I think that generally unions are going to have to jump in and be part of the solution. When they're undertaking their negotiations, they're going to have to take into consideration a lot more things than they had to in the past, perhaps, to become more cost-effective.

Mr Bisson: Listen, I would argue that unions have been part of the solution for many years. This is not a new phenomenon. I will take you on tours of places like

Algoma Steel in Sault Ste Marie and de Havilland in Toronto.

Hon Mr Leach: Then there shouldn't be any problem, should there?

Mr Bisson: There's a difference, though. I just want to make this clear. The basis by which those restructurings happen, where the employer and the union sit down and come to some terms about, "I'll give you this, but I get something back in return," and eventually it works out that it's a mutually beneficial package.

The difference now is that there are a lot of workers in housing authorities out there, who are under contract with one union or another, who fear, because of restraints to costs and the ideological position of the government, that they're going to lose their jobs to a private contractor on the basis of what's happened with successor rights in other parts of legislation that you've done.

What I'd like to do is to say to those workers, "The Minister of Housing, Al Leach, says that it is not the intention of his ministry to contract out services that are presently being offered by housing authority workers in the province of Ontario." I'll gladly go out and spread that word if you were to commit to that.

Hon Mr Leach: Labour negotiations are a factor of negotiations. What a local housing authority does with its local union is between the union and the local housing authority, if they can negotiate something, and I'm sure the union leadership that deals with local housing authorities is very efficient and effective and will negotiate a package that's in the best interests of their members.

Mr Bisson: We're obviously not—

Hon Mr Leach: I think I just saw a concerned citizen come in. I have his picture here.

Mr Bisson: It doesn't sound to me, in all fairness, that you're prepared to give—

Hon Mr Leach: A concerned renter.

Mr Bisson: It doesn't sound to me like you're prepared to give those assurances to the workers. But I want to just point out to you—

Hon Mr Leach: What assurance I can give to the workers is that I'm sure their union leaders will represent them to the best of their ability.

Mr Bisson: Minister, there is a very big difference between going to a negotiating table where the employer sits down and says, "We have problems; we want to work them out together," and you negotiate a social contract local agreement or some sort of a restructuring of your collective agreement to deal with the times, and what I think what's going to be happening: the premise that the employer will say, "We can get this done cheaper if we contract it out," so when the collective agreement comes due, sayonara. That is going to be possible under the changes that your government has already made to existing legislation. That's why these people are worried.

Hon Mr Leach: Let me assure you that the process that's used in negotiation will be fairer than the one that was imposed by your government under the social contract. Let's put it that way.

Mr Bisson: I think time will tell. I can tell you directly, during the negotiations of the—

Hon Mr Leach: We will negotiate, not just impose.

Mr Bisson: We negotiated as well, but through the whole process of the social contract I met head-on with

most public sector workers in my riding, and after—since you people have come to power—and do you know what they're telling me? They're saying the social contract was a heck of a better alternative than what this government is putting forth, because they really fear what all this means in the end is that you're going to favour private sector contracting out at a lesser wage for private employees rather than paying public sector employees a livable wage. I can understand where they're coming from because the legislation points to your doing that.

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Hon Mr Leach: I'm a bit disappointed that they lack faith in their union leaders to adequately represent them.

Mr Bisson: They have lots of faith in their union leaders. They don't have faith in you.

Hon Mr Leach: If they have faith in their union leaders to negotiate a good package for them, and a fair package, then I don't see what their concerns are.

Mr Bisson: I'm not going to punch around this one for very much longer because I think the minister is saying that whatever happens, che sara, sara. That's what you're basically saying.

Hon Mr Leach: No. What I'm saying is that labour and management will sit down and negotiate a contract that's fair and equitable to both sides, and that's what labour negotiations are all about.

Mr Bisson: You have an opportunity to clarify for the record, and I would be the first one to go back and tell those people that the minister says he ain't interested in going out and contracting out. I will deliver that message for you.

Hon Mr Leach: I don't want to be a government that interferes in labour-management negotiations like you guys did.

Mr Bisson: Whoa, now hang on. You don't want to be a government that interferes in labour? Come on, Minister, take a look at your record up to now. My God.

Hon Mr Leach: What I'm saying is that the collective agreements between local housing authorities and union members will be negotiated.

Mr Bisson: We'll just see how many of them are negotiated and how many of them are privatized next time you come back to estimates.

I've only got a couple of minutes left but I'll just put you on notice that one of the things I'd like to get into, maybe in the next round and just shortly in this one, is the question of lists within housing authorities. You made comments on Thursday that one of the things you don't like about the list system at the housing authority is that because it's a weighted system those in deeper need get in and those people waiting at the fringes are not able ever to get there. Are you looking at making changes to the list system?

Hon Mr Leach: We've made changes to the list system.

Mr Bisson: I'm not aware that has been done.

Hon Mr Leach: They were effective January 29.

Mr Bisson: When was that circulated?

Hon Mr Leach: It's certainly public knowledge.

Mr Bisson: I'm the critic for Housing and I've never received anything, unless it came and I never got it.

Hon Mr Leach: You'll have to start paying more attention.

Mr Bisson: Hold it a second. Can I call a staff member to the committee?

Hon Mr Leach: No. I can do that, though, if you like.

Mr Bisson: Can I call one of my staff people to the committee?

The Chair: One of your staff members?

Mr Bisson: Yes. I want to ask a direct question—

The Chair: No. Actually, this is estimates and information—

Mr Bisson: No, I want to find out. It's in relation to the estimates. The minister is saying that—

Hon Mr Leach: If you want to confer with your staff member, go ahead. I don't think it's appropriate to call him.

Mr Bisson: No, no.

The Chair: It's Housing estimates, and if you want information coming from the minister himself, he'll respond. In the meantime, you don't have time. Your time is up.

Mr Bisson: Very good. I just—

Hon Mr Leach: That means stop.

The Chair: On the next round. As the Chair and also the critic, I just want to step down to ask a couple of questions. I'm going to ask Mr Cleary if he could sit in the chair until I get some information from the minister.

Mr Bisson: Talk about wearing two hats.

Mr Rollins: Make your questions nice.

Mr Alvin Curling (Scarborough North): Minister, I'm going to need some information and maybe you could help me along with this. First, I think what I'm hearing through the estimates and through your government's position is that you have now established the fact that you will be selling off the 84,000 units owned by the government in social housing.

Hon Mr Leach: Our position is that we're establishing a protocol to look at getting out of the bricks-and-mortar business. Obviously it's going to be a long-term, very complex undertaking, but as much as we can we would like to get out of the bricks-and-mortar business.

Mr Curling: I just want to be very clear. After looking at it, your goal is to sell off those 84,000 units owned by the government to the private sector.

Hon Mr Leach: As much as it is possible to do so while ensuring that the residents and tenants in those complexes are protected.

Mr Curling: I just want to get a very clear answer. I know you're a responsible government and you'll make sure that the tenants who are occupying those places will be well looked after, but having established to your own belief and to your government's belief that they will be looked after, the ultimate goal is to sell those 84,000 units to the private sector.

Hon Mr Leach: Yes. It's not a new strategy. It's a strategy that's been followed by previous governments. Both Liberal and NDP governments on occasion sold off OHC units. In 1994, I think it was, the NDP sold off some OHC units, so it's not something unique and new.

Mr Curling: I understand that. I was just talking about your government itself.

Hon Mr Leach: Yes. This government's going to do much along the same lines as other governments have done.

Mr Curling: I can't recall the Liberals selling off any. I could be corrected here, but that's the case. I just want to establish, and you haven't established that, that those 84,000 units will be sold off as soon as you're finished your study and made sure that the tenants—

Hon Mr Leach: It depends on the outcome of the study. I wouldn't want to prejudge the undertaking that all 84,000 units would be sold off. Obviously there are some that will be far more difficult than others. You have to recall that we're not the sole owners of those. We're in a partnership with the federal government and in some cases with municipal governments.

Mr Curling: That's my next question. You're coming into my next question, which I know you'll answer very efficiently. You have agreements with two other levels of government, federal and municipal governments, some owning the land and some owning the mortgage itself. Have you started any negotiation with those levels of government and could you give me an update of what has happened so far in those discussions of moving in that direction of selling off those 84,000 units?

Hon Mr Leach: There have been some opening discussions with both levels of government, some on a project-specific basis. For example, on the project that's being looked at at Regent Park there have been discussions with the various levels of government. The federal government is doing a complete review of the operation of CMHC and we're awaiting some advice and direction from the federal government about where it's going with housing policy. We've been advised that they're going to take a long, serious look at how they provide housing.

Mr Curling: So who are the players in this now? Let me establish it again. You have the municipal government, you have the federal government, you have the provincial government. Who else?

Hon Mr Leach: That's the three levels of government: municipal, provincial and federal.

Mr Curling: Yes, that's good. On the side of tenants now, are there any tenants at the table or in discussion about the sale of these units? Is there any tenant representation there at all?

Hon Mr Leach: Yes, there is, if we talk about the projects that are currently under way. If you're looking at Regent Park, for example, that has had considerable tenant participation. As a matter of fact, it's being tenant-driven for the most part. I'll give you another example of a major high-rise at Alexander Park where the tenants have initiated a goal to turn that building into a co-op, so the tenants are actively involved in the entire process.

Mr Curling: So each property would be negotiated separately because they do have different configurations involved. In other words, maybe the municipality is not involved and maybe it's just the feds and the province and tenants.

Hon Mr Leach: Every part of the portfolio is going to have to be looked at on an individual basis. There might be opportunities to look at blocks of units or individual units. It depends on what's in the best interests of both the tenants and the taxpayer.

Mr Curling: So that's the approach you would be using. After having brought all the parties to the table—

and I understand you have to do different phases. You have to go maybe first to the government section and then the tenants, and then bring everybody together to see the impact. That will be done in your process?

Hon Mr Leach: Yes.

Mr Curling: How long do you think this will take before you start selling?

Hon Mr Leach: It's very difficult to say, because it's very complex, but there are units within our portfolio that could be put on the market earlier than others. The chairman of the Ontario Housing Corp is looking at a small part of the portfolio at the present time to test the market with 10 or 12 individual units.

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Mr Curling: How quick do you think the first test run will be?

Hon Mr Leach: It's possible it will take place this year.

Mr Curling: So within this year you'll be selling some of those units then, this year of 1996, or within 12 months?

Hon Mr Leach: There's a small part of the portfolio that's being reviewed by the chairman of OHC to see what the market conditions are like. If the market conditions are favourable and sales would be in the best interests of the taxpayers, some could take place this year, but it would be a minor part of the portfolio.

Mr Curling: Before you do that, though, you'll be having discussions with the tenants?

Hon Mr Leach: If there are tenants involved in the units that are put up for sale, obviously they—

Mr Curling: Tenants will always be involved. I'm talking about those who are occupying them.

Hon Mr Leach: Not necessarily. There are some units that could be vacant or between tenants, for example. If you have a unit that has become vacant for some reason or other, that might be the most appropriate time to look at whether it's saleable.

Mr Curling: Will you be bringing these properties up to standard, so to speak, before selling them off?

Hon Mr Leach: Again, that's what we're going to test the marketplace for. In some instances I'm sure that the investment of some funds to improve them would get you a better return, so we would do that. In other instances you may put something on the market as is. It depends, I think, on the type of facility that we're looking at.

Mr Curling: But you're saying within a year you may be—I hate the word "testing"—I presume those units that are not occupied, and some may be occupied units that you'll be selling off.

Hon Mr Leach: We won't, in the short term, be selling off any occupied units.

Mr Curling: In the short term you won't; in other words, not within the year itself. Have you put aside any money? Is there any figure for funds that you have available that will be put aside to improve the properties before you sell them?

Hon Mr Leach: Not in this year's budget.

Mr Curling: There is nothing in this year's budget, so no money—

Hon Mr Leach: Not to upgrade for sale.

Mr Curling: No money will be spent on any property to improve the property before sale within this year.

Hon Mr Leach: There are capital moneys available to undertake work to ensure that properties stay in safe, healthy condition, but those funds are not being expended solely for the purpose of putting them up for sale.

Mr Curling: Do you anticipate spending money not in this budget but in the next budget, since you are going to sell those units off, to bring them up to standard?

Hon Mr Leach: That's very difficult to say. We'd have to look again at the projects on an individual basis and make a determination whether you would be better to invest money to improve it to put it for sale or whether you would talk to individuals about buying it as is, just as anyone would do with your own private home.

Often when you're selling your own home, for example, you might paint it or spruce it up a bit to make sure that it has the best face on it to go for sale. In other cases you'll just say, "I'll take a few thousand dollars less and put it on the market as is," and I think we will be taking the same type of approach as any individual would in dealing with the sale of a piece of property.

Mr Curling: Let me tell you why I take that line of questioning, Minister. Many of the units that are out there now, quite a few, are below standard, below habitable standard at times, and the tenants do complain about the standard of the property, and that's what you talk about. It had been poorly managed.

When I hear you say, yes, they have the money to spruce it up to sell it, I wonder why didn't you spruce it up—or why the government itself. I'm not going to blame you. Let's be completely straight with you. They are all governments, all three governments. Your government has been in so shortly, not having the time to really spruce it up so that tenants can live there, and when the opportunity comes now to spruce it up, they're going to sell it to the private sector. They said, "It would have been nice that our landlord would have looked after us better, done more than spruce it up just to get a profit, had wanted to spruce it up for us to have a good standard of living."

I am very disappointed that the government would be looking to sell off those units, but that's your direction and that's your philosophy, which I think you will regret later on. In the meantime, I hope that those moneys you'd have spent to spruce it up could be looked at more—

Hon Mr Leach: I think I said just a few minutes earlier that we don't have any money in the budget specifically to spruce up any OHC units to put them up for sale. I think I was very clear in stating that we do not have any money in the budget specifically to spruce up buildings to put them on the market.

Mr Curling: All right.

Hon Mr Leach: Any moneys that are in the budget now are to ensure that capital works are undertaken to make sure they're in good condition.

Mr Curling: Your party has projected itself as very competent and efficient business people, supporting the private sector, "We can do things better than government," which I don't believe, really, that the private sector can always do things better than government in this instance. Yes, I think we have not done as a government, as a landlord, a very efficient job, and you put me on notice of that all the time, yes. I don't think we've

done a good job as a landlord looking after our tenants. I think we can do better.

I think the moves your government has taken somehow punish the tenant, "It is your fault; it is you who have caused all this," when it is the inefficiency of the administration of the government, which had had a very high administrative overhead and did things and contracted things in a very poor manner in which the costs—

Hon Mr Leach: I don't recall at any time during the discussions we've had in these estimates on Thursday or yesterday, or at any time for that matter, indicating at all that the tenants were at all to blame for anything.

Mr Curling: I put it this way to you, that somehow all of a sudden the government is getting out of the business in social housing, that we're not into the bricks and mortar. Somehow I thought you understood that when the government is in social housing, it really was never into the bricks and mortar; it was necessary to have the bricks and mortar to house the community and to put in that community support. I think that by selling off these units, you're going to lose that community, the community that needs the government desperately to get their lives on track, to get affordable housing.

At times we confuse the social housing aspect of it with the affordable housing outside in the private sector. When we make that bridge about the private sector and the public sector, we know that the private sector will not build for those people who we, the government, take care of, so to speak, or assist and support to get on with their lives and build a community. When we sell those units to the private sector, most of the community infrastructure and support will be gone. You feel basically that if we give a shelter allowance to some individual and they go on into the private sector, they are much better off. I think there's other credibility in the fact that the selection process—

Hon Mr Leach: You finally got a job you can handle. *Interjections.*

Mr Curling: Let the record show the minister is referring to Mr Bisson, not me.

Hon Mr Leach: Yes.

Mr Curling: I'm extremely worried, Minister, that we would lose the kind of good work the government does in assisting people to go to affordable housing, because the private sector will not build it at all.

Hon Mr Leach: I think it's just the opposite to that; in fact, it's totally opposite to that. What this government wants to do is to ensure that we provide assistance to those in need, that rather than be concerned about the provision of bricks and mortar, we look at the needs of individuals and ensure they have subsidies and shelter allowances that allow them to live in any part of the community that they choose to, or any location in Ontario that they choose to, rather than being tied to a unit, that just because a pile of bricks and mortar gets a subsidy, they're forced to live there. If they want to move to another part of Ontario, they go back on another waiting list to get into a subsidized pile of bricks and mortar.

I would rather provide the subsidy and a shelter allowance to an individual to allow them to choose where they want to live. I think that's a far more effective way to operate.

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Mr Curling: Minister, I'd hoped that through the estimates, as the critic for Housing and a strong advocate and supporter for the social housing concept, we would have been able to convince you not to have blinkers on so that you stare just down the passage or the tunnel, not realizing it's not only that people want just shelter—that is important here in the concept we have—but to build a community for those people who get lost outside there.

That is why I keep insisting: We keep on comparing the two concepts as being equal and saying that one is so expensive that we've got to get out of this business because the private sector does it better; the private sector not only doesn't do it better but the private sector doesn't do it at all. The private sector is not concerned two hoots about the community at large. The private sector's bottom line is to make a profit, and if it's not profitable, they will not build it and they will not put money into the community, so to speak. That's why we have clichés of "good corporate citizens."

Hon Mr Leach: That's totally wrong. That's 100% wrong. Let me give you the example right over here in our community, if you would just go over to Gerrard and take a look at the northeast corner of Regent Park, which is being proposed for redevelopment by the private sector, still providing rent-geared-to-income units to the same extent that exists now and integrating it into the community rather than creating a ghetto.

Mr Curling: You see, it get us all over the place. Bridle Path is a ghetto too. Don't let us feel that ghettos are only—

Interjection.

Mr Curling: Let me finish, Mr Minister. How much time do I have?

The Acting Chair (Mr John Cleary): You've got about nine minutes left.

Mr Curling: We've got lots of time.

The Acting Chair: Mr Brown has a question.

Mr Michael Brown: I want to ask a supplementary just on that point, Mr Curling, if you'd let me.

Mr Curling: Go ahead. I was on a roll here, though.

Mr Michael Brown: I know, I'm sorry.

This is where I get a little puzzled, and I was puzzled the other day when you talked about Regent Park. You talk about this new development including rent-geared-to-income housing, which we're not going to build any more. That's where I get confused, because you talked about shelter subsidies.

Hon Mr Leach: Let me clear up your confusion. The complex will be built—there's lots of rent-geared-to-income units in private facilities now.

Mr Michael Brown: Yes.

Hon Mr Leach: This is a case where we're going to take a publicly owned facility, have it built by the private sector and have rent-geared-to-income units in that private development.

Mr Curling: Let me just pick up from there again. The minister is trying to give the impression that a shelter allowance is something rather new. Rent geared to income in the private sector also could be considered a shelter allowance.

Hon Mr Leach: It's a form of shelter allowance, that's true. Nobody ever said it wasn't.

Mr Curling: So the fact is there's nothing new you're coming up with when you say—

Hon Mr Leach: No, let me tell you what the difference is.

Mr Curling: I'm on a roll.

Hon Mr Leach: I just have to clarify this situation because you're obviously confused about this.

Mr Curling: I'm confused about it?

Hon Mr Leach: Rent geared to income goes to the unit. The money goes to the unit.

Mr Michael Brown: It's not going to happen in Regent Park, is it?

Mr Curling: That may be so, Minister, talk about it goes to the unit. The only slight change here is to tell that individual that instead of solely looking at that unit where you can only rent, you're saying to that individual, and I fully agree with you: "Here is the money itself; you can select within a wider range, and anywhere you go, to live with that allowance you have instead of the unit." I understand all that.

Hon Mr Leach: Okay.

Mr Curling: But I'm speaking about a different concept all together when I say to you that the private sector is not concerned about community living. The landlord would be getting his money anyhow when you have something like, "Here is your allowance, you can go to any of those landlords and rent." The fact is, they are not concerned about the community concept and that's what makes us different: social housing and the concept of government building a community. In the meantime, Minister, your proposal down the road is to eventually take away rent control, so the private sector is pretty happy about that.

I got off at a tangent here. I had wanted to continue that, as I said to you earlier, I don't want you to have blinkers, going down a tunnel and not looking elsewhere, but say, "Listen we want to get out of this bricks and mortar situation, and the concept of community living is completely gone because the private sector is not concerned about it."

Hon Mr Leach: You're certainly not going to tell me that the only people who have an interest in community living are people in social housing. I know that in my community we have a community interest. I'm sure that in your community there's community interest in making sure that your community is well looked after. Whether it's private or social is irrelevant.

Mr Curling: As government and this mandate you are dealing with, those people who need affordable housing—many times the government contributes to that. This affordable housing accommodation is not provided by the private sector, we know that.

Hon Mr Leach: Many of them are. If you go over to St James Town—

Mr Curling: They would love to provide that in the private sector, but the fact is they don't build for that, they're building for a profit at the top end of the market. Then they're waiting until they saturate that top end of the market before we make allowance for those who are making less money. That's where we come in as a government, to provide for those people access to affordable units. I want you to get that concept that there's

going to be a terrible situation as soon as you bring your policy in place, because those people are not able to access.

The point I was making yesterday to you, that even though those people, especially those on social assistance who are accessing the private market—21.6% of their income was taken away; then you're asking them to still access the private market. I'm telling you that chaos is going to break out somehow, and confusion and some disillusionment about where our government support is in all of this. I think you're abdicating your responsibility as Minister of Housing—

Hon Mr Leach: Are you making a speech or asking a question?

Mr Curling: I'm making a speech.

Hon Mr Leach: I'd like an opportunity to clarify by example where you're mistaken. I think you would agree that probably the largest social housing complex in Canada is at St James Town, which is just over here at Wellesley, the largest social complex in all of Canada.

Mr Curling: Why don't you tell us something about public housing for Ontario?

Hon Mr Leach: Just wait, okay?

I think you would agree with that. Do you know that three quarters of the buildings in St James Town, the largest social housing complex in Canada, are privately owned? Do you realize that? The private sector owns three quarters of the largest public housing complex in Canada, so don't try and confuse the record by saying that the private sector has no interest in owning social housing; they do.

Mr Curling: But you, Minister, in your budget, and Community and Social Services, and Health, put money into the community, and you're going to pull that out. We know you're going to pull that out and you're not going to give that kind of support. You're talking about shelter allowance and scatter them around more; I'm just saying we must concentrate them—

Hon Mr Leach: You were trying to confuse the record by saying that the private sector doesn't have an interest in providing housing for those who need it, and three quarters of the buildings in St James Town are owned by the private sector.

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Mr Curling: Let me put it this way to you then: The Ontario government is the largest landlord in this province, is that right, sir?

Hon Mr Leach: That's right.

Mr Curling: You're not the private sector. I'm trying to say, what you're trying to do now—you said, "I'm going to come out of that business and I'm going to give it to the private sector."

Hon Mr Leach: The private sector is already in that business.

Mr Curling: You don't say anything about Regent Park, the people in Kitchener, the people in Ottawa, the people in Guelph, the people all over who need the support of the government—

Hon Mr Leach: And many, many of the buildings in the communities that you've just mentioned are owned by the private sector. As a former Minister of Housing, you should know that.

Mr Curling: My point to you, Mr Minister, is that having taken the position that you will be selling off 84,000 units regardless of what configuration you come up with later on—that's your intention, that you're going to sell off those units—that you involve the people who live there. It's not a matter of bricks and mortar, it's their home, and you as the landlord decided, for reasons, that you feel you can get more money out of it, and will be selling their home some time from under them.

I would say to you, before you do that, since you're intending to do that, make sure they are part of that discussion, fully, and not on the fringe. I hope they can look to you as a friend and as a supporter, that you will not sell them down the drain.

Hon Mr Leach: Obviously we're going to involve tenants in any actions that we undertake. I think the example that I indicated of St James Town being owned by the private sector, at least three quarters of it, is a fine example, and I don't see where the tenants of St James Town, for example, should be concerned if—of the six or seven buildings that are there, four are owned by the private sector—the other three were owned by the private sector. The buildings are still there. Their homes are still there. They wouldn't be treated or dealt with any differently than the tenants who are in the buildings that are owned by the private sector. Who owns the bricks and mortar is irrelevant.

Mr Curling: They get notice when they have a new boss.

Mr Tony Martin (Sault Ste Marie): I just have a few comments that I'd like to put on the record in response to some of what I heard yesterday and some of the dialogue this morning, for the minister and for the members of the government across the way. I'm just a little disappointed that Morley has left. I don't know where he went.

Mr Rollins: He'll be back in about two minutes.

Mr Martin: He'll be back in about two minutes. Because what I have to say certainly has some relevance to some of the comments he put on the record, as well. We've sat here now for a few days listening to the minister and, granted, he's very clear in a general sense as to where he and his government want to take us around the question of housing, the provision of housing in this province and the part that various stakeholders will play and his concern, or lack of concern, for the impact that these decisions will have, particularly on those who are most vulnerable. Certainly what I've heard is not inconsistent with the approach his government is taking on almost everything across the board as we see life unfold in this wonderful province that we've all had a tremendous stake in developing to this point in our history and which, hopefully, we will continue to have some pride in as the future comes at us.

The concern I have is not in your right, Minister, and your government's right, to do what you think you've been given a mandate to do by the voters on June 8, 1995. I have no difficulty whatsoever in recognizing that you were given a majority of seats in this place and have a right to bring your agenda forward, and in fact make some change in the four or five years you take by way of the term that you choose to govern in, but I do have some concern re the process.

My comments will speak very clearly to some of the comments that Mr Kells made this morning, and it's the issue of the speed at which you're moving, the decisions that are made by this government behind closed doors under the secrecy of cabinet confidentiality and then all of a sudden, boom, one day there they are. And you say to us and to people: "Learn to live with it, because that's the reality of today. We have a very difficult economic circumstance that we're facing, and we have no choices but to do some of the things that we're doing. We don't want to complicate the issue by listening to people who might have a genuine concern or who may have in fact an idea that might be better in the long run."

Mr Kells this morning spoke of the process that we went through to change some of the rules around the situation, and the islands. You'll respect and recognize that, yes, we did get elected, as you did, to a majority government in this place. However, even in making some of the very difficult decisions we made—I don't know whether you were watching or listening or not, Mr Kells—but there certainly was great furor around the province around a lot of what we were doing, as there is and will be around what you're proposing to do.

However, the difference is we spelled out very clearly. We first studied the issue. We brought people in on a pre-legislative package, a consultation. You mentioned Mr Johnson's review of the situation at the islands. We laid on the table all that we were going to do, and we allowed for significant public input, both informally and formally, through the committee process of this Legislature, as we moved forward with that.

Yes, we took a stand that to some people was rather controversial but, as Mr Brown, who was here this morning—he chaired that whole committee—suggested, the opposition did come and put their comments on the table and were very active and lively in it, and it was reported in the newspapers.

That's part of the process here at Queen's Park. At the end of the day, yes, we had a majority and we moved forward on what we thought was in the best interests of the people that were most directly affected and in the best interests of the province. Now, we have a difference of opinion as to whether that was the right thing to do or not. The process was public and open and I have to say, and I would challenge you to show me differently, any of you in the opposition or on the government side, where it wasn't by agreement of all three parties, where we did not follow the traditions of this place and bring things to committee and have lively debate in the House about them.

The change in venue, the change in approach, is that open consultation, that sharing of information, that detailed document that we all need to look at as you move forward as a government, that not only spells out what it is you're proposing to change and why, and how are you going to do that, but also some information gathered by people who know and have the expertise as to what the ultimate impact at the end of the day is going to be, particularly on those who are most at risk and most vulnerable.

I think, as a province, we've shown ourselves over the last hundred years to be very concerned, to be very

civilized, to have a high degree of integrity when it comes to the question of being just and being fair.

I suggest to you that if you don't do that and if you move ahead as quickly as you have shown you have the will to do over the last six months, in some very major and drastic ways, to affect the lives of people in this province in the ways that the decisions you've made is doing, then you can expect that there will be great upheaval out there among the public. The public will find ways to let you know that they don't like, or they're upset with, or they're anxious about some of the things that you're proposing. And to suggest for a minute that it was the record of previous governments that were the cause of, for example, the violence that we had here last Wednesday night, is to be dead wrong. Last Wednesday night was a response to decisions that are being made by this government which violate some of the most basic tenets of the citizens of this province to which they've contributed.

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All of us, from time to time, find ourselves in a position where we have to ask the government for some assistance, whether it be to go to school, whether it be because we've lost our job and we're down on our luck, whether it's because we have to go to a hospital, or so many other myriad ways that all of us from time to time find ourselves at the mercy of the government to try to keep body and soul together, to try to put food on the table for our children, to try to put a house over our family, particularly in our climate where the weather is so violent sometimes. We did previously, or will in the future, contribute as taxpayers; we did participate, we did give of the money that we made, of the resources that we have, of the energy that we have and the ability that we have, so that all of us have contributed.

We have a right to be consulted, we have a right to be part of the process, we have a right, however minimal, to have our say. When you don't give us that right, when you take that away and you violate the contract that is there between the populace and a government that is elected, then expect that things will happen that none of us will appreciate or like, or see as civilized, but people will let you know, and they will let us all know, that they think what's going down is not in the best interest of this province.

So far in the last couple of days, I have not heard anything from the minister that gives me any satisfaction or any comfort that you have thought out what it is you want to do re the question of how you move a program that is so important, particularly to the most vulnerable among us in this province by way of housing, from public ownership to private ownership, and how you move with that to a scenario where there is no more rent control and what impact that will have on the general populace out there.

I hear you and I have no reason to question your sincerity, or that you really think you can in the end bring in a system of private ownership and different rent control that will protect those who are most at risk. But I have to tell you, the track record of government where it concerns these types of issues is not a good one.

I only have to think back 10 or 20 years to a decision that was made by the government of the day, a Conserva-

tive government, to move mental health patients out of institutions and on to the streets of our communities. There was a promise by the government at that time that community support programs would be put in place to make sure that none of those people, in moving from the security of the institution they were in to live in community—which in itself is, I think, a very noble thing to be doing, because I don't think anybody will argue with you that to live in community with the support of family and friends, as opposed to being locked up in an institution, is a very high ideal. But if you don't provide the services that are required to make sure those people who are most sick, who are in need of most support and help get it, then you end up with the situation actually which is beginning to show its head, very clearly and obviously, in the world that we live in today.

I drove up University Avenue on my way to work this morning, and I saw more people than I've seen in the last six years, because I wasn't in Toronto much before I got this job, living on the streets of Toronto, in some of the most difficult weather that we've had in a number of years: little groups of them on corners, sleeping under sleeping bags, and some of them actually in fact freezing to death. And that is because, that is a direct result of, a decision made by a government 10 or 20 years ago, however noble—

Mr Kells: That's second-guessing. That's unfair.

Mr Martin: —to move people out into the streets and into communities without the supports that they need.

Interjection.

The Chair: Let's direct it to the Chair here.

Mr Martin: Now we're finding them in parks and on street benches and in bus shelters and over grates, because the government of the day did not think out the consequences, did not do the impact study that was required—

Interjections.

Mr Martin: —and this government is doing the very same thing.

It's doing it when it cuts welfare to people by 22%. It's doing it when they close down group homes for the mentally handicapped in communities like my own, and shifting people back into their homes and into hospitals without the services that they need. And they're doing it in housing.

You're going to do it in housing by moving the very effective and important program of public housing out from underneath the umbrella of the responsibility of government and moving it into the private sector, where profit becomes the bottom line.

You're doing it when you talk about lifting rent control. None of us, I think, has to think too hard to remember the situation we had in this province, particularly in Metro, where most of the people in this province live, in the mid- to late 1980s, when properties were being flipped over like flapjacks on Sunday morning at the church pancake breakfast and poor people could not find decent houses to live in because they couldn't afford it any more.

That's what you're moving to, and you haven't shared with me anything yesterday or today that comforts me in my hunch and my very deep feeling in the gut of my

stomach that you're doing something here based on an ideology, based on a theory, based on some thought that if we just turn it over to the private sector, if we just get government the hell out of the way, if we drop the regulations and the rules that were built up over the years, it's all going to work out.

Well, I tell you that it hasn't worked out, and it's not going to work out, and you're going to be hurting people. We already have I think some very dramatic examples of the kind of pain that's going to be felt by people in this province because of some of the decisions that are being made by this government, in such haste and without a full public consultation and without having thought out the ramifications or the impact down the road or without having put in place those very valuable services that will pick up those who will fall through the cracks, and there will be many.

We've had three people die on the streets of Toronto in the last couple of weeks. And yet we have not heard from the Ministry of Housing, which has been charged by the province to make sure that everybody in this province is housed, we have not heard from you one speck of concern. We have not heard from you that you're going to do any kind of a review of why it is that these three people died, of what the circumstance was within which they were living and operating. All we heard was a statement made in estimates when the Minister of Community and Social Services was before us that these people chose—actually chose—to live on the street, that it was their fault somehow, that somehow they are responsible for the fact that they froze to death.

Mr Bisson: Unbelievable.

Mr Martin: I think that's quite unconscionable.

So, again, as I did yesterday, I ask the minister if he wouldn't—for me, so that I can take it back to at least my constituents and share it with them so we can participate as fully as we need to in the very difficult decisions he will make as part of this government over the next few years that will impact directly on them and on their friends and neighbours as services are reduced and programs are changed and opportunities are diminished for people to in fact live a dignified, relatively high quality of life in this province. Would you table for us, Mr Minister, any plans or studies or document that has been developed to this date that will tell us what your both short-term and long-term plan is re the question of moving from public housing to private housing and moving to some form of rent control that is different from what we have today, and what you plan to do to mitigate the damage that will be done against those who are least able to deal with it?

Hon Mr Leach: Hold on a second. Don't I get a chance to respond?

The Chair: Allow the minister to comment.

Mr Martin: Yes, fine.

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Hon Mr Leach: It probably won't take any more than seven minutes.

I'm absolutely amazed that you could make that rambling statement and say that you haven't heard over the last three days any comments that address the issues.

Mr Martin: Just pious platitudes, Minister. Just pious platitudes, that's all.

Hon Mr Leach: We have been talking about rent control. Previously when we were talking, when the issue of the homeless and people living on the streets was brought up, we discussed the policies that we have to house the hard-to-house group in our society. We talked about policies to ensure that there are special-needs projects for those who are coming out of institutions. All of those issues have been discussed. We have talked about rent control and where we're going and what our philosophy is on rent control for hours at a time.

Mr Martin: With no details, Minister. Absolutely no detail—nothing.

Hon Mr Leach: To sit there and say that there hasn't been any discussion or any of our plans provided to this committee is mind-boggling. I mean, where have you been for the last three days? All of the policies that you mentioned have been talked about in great detail: where we're going with rent control, where we're going with social housing, where we're going on special-needs policy, what our position is with the hard-to-house. All of that has been discussed, and it'll continue to be discussed for the next half-hour, hopefully. But to sit there and say that you haven't heard any details on any of these things is amazing to me.

Mr Bisson: I guess the first question is, Minister, just in response to what we were talking about a little while ago about the list, a very simple question, the new list system that has been changed and announced on January 24, has that information gone to your own government members?

Hon Mr Leach: The change in the procedure on the list that was put in was put in on a pilot project in MTHA on the 29th. It's a process that was originally proposed by your government. It's been talked about with all of the stakeholder organizations.

Mr Bisson: That's not the question. Just so you understand, I haven't got a problem with your change in the list system if you're going to make it better. The question is, have you provided the information about that change to government members?

Hon Mr Leach: To the best of my knowledge, everybody has been advised of the—

Mr Bisson: Okay. Has that information from your office gone to members of the opposition?

Hon Mr Leach: I'm not sure how the distribution took place. Does anybody here have a—

Mr Bisson: Can somebody look into that and give us an answer before the end of today?

Hon Mr Leach: I can tell you who was consulted about it. ONPHA and CHAO, all of the stakeholders were involved.

Mr Bisson: Listen, you don't have an argument with me on that. If you want to make the list better, I think that's great and all kudos to you.

Hon Mr Leach: I'm missing your point.

Mr Bisson: Well, if you haven't figured out where I'm coming from, you'd better open your eyes.

The Chair: I'm not quite sure, either, what list you're speaking about.

Mr Bisson: What I'm asking is, there's been a change in policy on how the lists are operated on a pilot project here in Toronto. That affects the ability of all members

to do their jobs, especially those people in the Metro area who deal with Toronto housing. The simple question is, have government members got a copy of those changes? The answer was yes. And I'm asking, have opposition members got that information? I can tell you as the critic for my party on Housing I have not, and I would wonder if opposition members have got that information. It's a very simple question.

Mr Burns: As far as I know, the ministry hasn't systematically mailed this out to all members of the Legislature. There are people in Toronto, in constituency offices, in community settings, that pay a lot of attention to MTHA and actually keep track of the rule book. They in all likelihood have got it.

Mr Bisson: In other words, no, it hasn't been sent out. I would only say to the minister that you know as well as I do housing is a big issue that we have to deal with in our constituency offices and it would be appreciated if members were to get that kind of information so we can inform our constituents of changes and deal with that. I think my rights as a member, quite frankly, if I haven't got that, have been done away with if that information has been given to the government and not been given to the opposition. But for another time.

I've got a couple of very short questions and they require yes or no answers. Do you own any businesses, Minister, that have anything to do with owning or controlling or being a partial owner in an apartment building in the province of Ontario?

Hon Mr Leach: I'm sorry. Say that again.

Mr Bisson: Do you own shares in any company that might be a participant owner in a rental unit here in the province of Ontario?

Hon Mr Leach: No.

Mr Bisson: Do you own any shares in a numbered company that might be owners in an apartment building in Ontario?

Hon Mr Leach: No.

Mr Bisson: No to a numbered company as well. Do you have any relationship with Greenwin Property Management?

Hon Mr Leach: Do I have any relationship?

Mr Bisson: Do you have any relationship with Greenwin Property Management?

Hon Mr Leach: Personally, no. I think my constituency office might be located in a building that's owned by them.

Mr Bisson: You think that they might be. Okay, I won't go down that path. But you are saying personally you have no relationship with them whatsoever.

Hon Mr Leach: No.

Mr Bisson: Did you ever take any campaign contributions from Greenwin?

Hon Mr Leach: I can't recall. I wouldn't want to say yes or no. I would have to check the list.

Mr Bisson: Okay, can you provide us with an answer to that later? All right, back to the list thing. I've got that on the record.

I just want to say to the minister, if you've made changes to the list system, that information should be disseminated to all members of this assembly, especially those members who are affected within the area of the

housing authority that's been affected, because as you well know, Minister, we do a lot of work in constituency offices with housing issues, and if the government is making changes to policy, we need to know. And I would like to say to the Chair directly that I think my rights have been violated on the part of this government if it's provided that information to government members and not to members of the opposition and I'd like to know what happened.

Hon Mr Leach: Policy procedures and statements are issued by the ministry on a regular basis. This is a policy that would be put out in a very similar manner as all other policies. There's been absolutely no attempt by anyone at any time to withhold any information from you or anyone else in this Legislature.

Mr Bisson: Okay. Back on the last question, in summation, you're saying, as Minister of Housing and the member for your riding, that you have no relationship whatsoever with any company, numbered entity, that has any kind of—

The Chair: Mr Bisson, may I—

Mr Bisson: I have the right to ask the question.

The Chair: I know. As to entertaining your question at length, I just wonder what is the relation, what this has to do with estimates.

Mr Martin: What do a lot of his questions have to do with the estimates?

Mr Bisson: Which question, question 1 or question 2?

Hon Mr Leach: Mr Chairman, I just want to ensure that I have an opportunity to get my response on the record.

The Chair: Yes. I notice we are just about finishing off on your estimate time, but I was just wondering what direction you were going to go. However, I want to give the minister a moment to respond, and I'd hope that we don't pursue that kind of line of questioning unless we can find some relevance to it in estimates.

Hon Mr Leach: I can tell you right now that I have absolutely no interest in any numbered company of any kind on any issue, nor do I have any personal interest in any private company at this point in time.

Mr Bisson: Okay.

Hon Mr Leach: Nor have I had.

Mr Bisson: Thank you very much.

Mr Joseph Cordiano (Lawrence): I have a question. Maybe it's not a question. Maybe it's more of a rant, but you're used to it after three days of this committee.

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Hon Mr Leach: Take half an hour.

Mr Cordiano: I think we're coming to the end; we have half an hour left. After three days of discussion in this committee and after having been on the job for six months, you must have a pretty good feel for what you're required to do and what you should be doing as Minister of Housing. Maybe you could describe for me what you think the objectives are of your mandate as minister.

Hon Mr Leach: To provide good government.

Mr Michael Brown: That's reasonably broad.

Mr Cordiano: It's a start.

Hon Mr Leach: We might narrow that down as we go along.

Mr Cordiano: Let's ask, then, what you think your responsibility is with respect to public sector housing, private sector housing, the average citizen out there and how he can expect that you would look after his interests with respect to housing.

Hon Mr Leach: What we want to do is ensure that all citizens of the province of Ontario receive equal treatment; that we provide policies to meet Ontario's needs for affordable, safe, secure and suitable homes; that we achieve effective production and management of housing; that we strengthen consumer protection and empowerment; that we support economic renewal and prosperity; that we ensure building and housing quality; that we promote community responsibility for housing.

Mr Cordiano: Production of housing—you said something about that. What did you mean by that?

Hon Mr Leach: To ensure that we have policies in place, and I think that Bill 20 is before committee in the room just next door. There are a number of clauses in Bill 20 that promote the production of housing by simplifying procedures, ensuring that developers can get their projects under way.

Mr Cordiano: Let's assume that instead of taking 18 months or two years to get through the development process, you can now do it in six months. Consequently, the developer then gets his project to market in that time or relatively shortly after that period of time, but the fact of the matter is that there are no people buying homes out there because consumer confidence is down. Other factors enter into that equation, along with regulatory burden. So you're doing something about regulatory burden and you believe that will improve the chances of purchasing taking place by consumers.

Hon Mr Leach: Yes. The reason for that, of course, is that if you can streamline the procedures and develop a policy that allows a developer or a home builder to get his product to market in a shorter period of time—time is money. Right now you have developers that sit on large tracts of land, paying high interest costs while taking two and three years to get through the system. If we can shorten that time frame down, it reduces their costs, which would reduce the cost of providing the product.

Mr Cordiano: Let's assume that's a certain percentage of what's factored into the equation, as you well know and I know. Now you're rectifying that. Let's take that as a given. What about the other factors? What about other factors that would address a purchasing decision by a consumer? What are you doing with respect to those factors?

Hon Mr Leach: In developing policies and implementing, putting through legislation, that makes it easier for the consumer to afford—

Mr Cordiano: How?

Hon Mr Leach: By providing good policies that ensure that happens. I've lost your line of questioning.

Mr Cordiano: No, no, what I'm saying is, you're speeding up the time for approvals. We understand that. That's probably a good thing. I agree with that. That will make it less expensive than otherwise would be the case.

But there are at least three or four other variables that have to be dealt with. Do you feel that it is within your

responsibility to deal with those or do you simply say: "Hands off. Now we've done enough and the rest is up to the marketplace"?

Hon Mr Leach: As members of cabinet, that we work collectively to ensure that we try and increase public confidence, that we try and decrease the cost of providing—

Mr Cordiano: How? That's what I want to know. What are you doing?

Hon Mr Leach: Through policies and legislation.

Mr Cordiano: What policies and legislation? What are you doing to do that?

Hon Mr Leach: Bill 20 is an example.

Mr Cordiano: We've dealt with that. That's one factor. What about the other factors?

Hon Mr Leach: Do you want to go through all the good things that were included in Bill 26?

Mr Cordiano: I want to know what you're doing. I just want to know what you're doing as a minister.

Hon Mr Leach: Okay, what are we doing so far? Let's see what we've done to date. We've got ourselves out of the boondoggle of the co-op housing business, which is going to be a major benefit to the citizens of Ontario, by reducing tens of thousands, hundreds of thousands of dollars in subsidy.

Mr Cordiano: How are you doing that if you're not selling the units? You're not selling very many units. You're maintaining the subsidy.

Hon Mr Leach: We stopped building any more.

Mr Cordiano: But it's costing you \$856 million, by your own admission the other day. You said that.

Hon Mr Leach: Yes. By getting ourselves out of the program that the previous government got us into, we'll be reducing our costs over the next five years by in excess of \$750,000, just by getting out of that one program alone.

Mr Cordiano: I don't understand, Minister. It's costing you \$856 million in subsidy levels—

Hon Mr Leach: And if we had proceeded with the projects that were in the pipeline—

Mr Cordiano: So you're saying you're saving dollars you would otherwise have had to spend, but those are not real dollars that we're spending.

Hon Mr Leach: If we hadn't taken appropriate action—

The Chair: Could we just have some quiet here: one meeting. Those who are having meetings can maybe have their private conversations outside so we can just finish off our next 20 minutes in nice style, please.

Mr Cordiano: Minister, the fact of the matter is that the housing industry is in a moribund state. There are very few people buying homes in the marketplace. The numbers are significantly down, and I don't see what you're doing to improve that. I don't see how first-time home buyers, for example, will be helped by what you're doing, other than speeding up the approvals process, and I don't see how you're making it more affordable for those first-time home buyers to buy those homes.

Mr Kells: That's not his job either.

Mr Cordiano: Now we're getting to the point. That's what I asked him: What is your mandate and what do you see as being your responsibility?

Hon Mr Leach: The actions that we are taking will achieve that or will help to achieve that. Obviously, they won't achieve it with the one policy, but if you can introduce policies that allow a builder to put a house on the market at a lower price, obviously that goes to encouraging—

Mr Cordiano: Yes, but you're assuming you're going to do that.

Mr Kells: Joe, 20% of a house's carrying costs is waiting for the approvals.

Mr Cordiano: Yes, but that was in the 1980s.

Interjections.

The Chair: Address your discussion through the Chair.

Mr Cordiano: Hold on a second. Interest rates are much lower, carrying charges are much lower, so that factor becomes a much smaller factor. That is not the only reason. There are other reasons. People simply don't have the purchasing power they had. People don't have the confidence levels. There are fewer first-time home buyers who meet the affordability criteria. People are not in a position, as they probably were before, to be able to afford to buy that first home.

You haven't done anything to recognize that, other than to speed up the approval process—you're dealing with Cornell, which is something that was there before and is coming on the market. But at the same time, you're not recognizing that there are far fewer people who can afford to buy that first home than ever before, and you don't see that as your responsibility. That's all I wanted to know. You don't see that it's your responsibility to go beyond that.

Hon Mr Leach: Certainly, as a government it's our responsibility and we have gone beyond that. What we're doing is improving the economic climate by providing good government.

Mr Cordiano: The jury's still out on that. All I see is devastation and dependency out there in the economy.
1140

Hon Mr Leach: Look for the silver lining.

Mr Cordiano: My point is, you're doing precious little to improve the situation for first-time home buyers.

Interjection.

Mr Cordiano: Come on, you certainly are.

Mr Kells: Your opposition friend is saying we're moving too quickly.

The Chair: Let's have this discussion directed to the Chair.

Mr Cordiano: I'm directing my remarks through the Chair. I'm just looking at the member opposite.

Mr Kells: What kind of answers do you have to hypothetical questions, anyways?

Mr Cordiano: I want a definitive answer in the form of what the minister is prepared to do, what your government is doing. You're doing nothing to make it more affordable for people.

Mr Kells: That's not being constructive to what we're doing here.

Mr Cordiano: I think it is. I think that we're trying to get at—

Mr Kells: Just ask some questions.

Mr Cordiano: If what you're doing is simply hoping on a whim and a prayer that the private sector will build—

Interjection: A whim and a prayer; that's exactly it.

Hon Mr Leach: Okay, let me tell you what we're doing.

Mr Cordiano: —apartment rental stock. The private sector will solve the problems simply because you're making it easier to get approvals, which I agree with, but beyond that you're not doing anything else and you're even planning to sell off some units.

Hon Mr Leach: Let me tell you exactly what we propose to do. We're working with municipalities and the housing industry to promote housing and communities that are affordable and which make more efficient use of land and public resources. That's Bill 20. We're simplifying the building and land use regulatory system; we're developing a strategy for existing buildings to protect public health, safety and ensure adequate maintenance, address rehabilitation needs and reduce the consumption of energy and other resources.

Mr Cordiano: It all sounds good. It's nice, bureaucratic language.

Hon Mr Leach: Did you want the answer or did you not? I mean, you asked the question.

Mr Cordiano: I'm sorry, go ahead.

Hon Mr Leach: We're working with other ministries and other levels of governments and communities to develop community-initiated responses to meet housing needs of the disadvantaged people and those not suitably housed.

Mr Cordiano: How can you say that when you've cut budgets drastically?

The Chair: Let him finish.

Mr Cordiano: Sorry, I thought he was finished.

Hon Mr Leach: We're working to provide the corporate infrastructure necessary to achieve the key business directions of the Ministry of Municipal Affairs and Housing and OHC and to help accomplish the government's restructuring, fiscal and public service priorities. How about that?

Mr Rollins: You'll be busy all winter, Al.

Hon Mr Leach: God, no wonder I'm tired.

Mr Martin: In four years you'll have it off by heart.

Mr Cordiano: What I'm saying to you is, you simply have not addressed the real concerns of affordability. You're simply not doing that, because quite frankly—I don't have the estimates in front of me, but you're cutting back.

Hon Mr Leach: Remember that we're dealing here with the estimates of the previous government as well.

Mr Cordiano: Yes, no question about it, but you're cutting back. Projecting it forward, you're cutting back dollars in terms of what's necessary out there.

Hon Mr Leach: Yes, we certainly are, and we have to pretty soon. We've got the province in a position where we're damned near bankrupt. We're \$100 billion in debt, paying \$9 billion a year in interest payment. The largest single payment we make is the interest on the debt.

Mr Cordiano: I could understand that.

Hon Mr Leach: That's a result of the policies of the free-spending days of the former government.

Mr Cordiano: Hold on a second. I have the floor here. Why are you increasing the debt by \$20 billion over the next four years?

Hon Mr Leach: Because we have to pay the interest on the damned bills that you ran up in the five years you were in power.

Mr Cordiano: No, you don't. You don't increase the debt by \$20 billion. Interest—

Interjections.

The Chair: Order, order.

Mr Cordiano: Interest payments account for far less of a percentage than you're indicating.

Hon Mr Leach: We took public spending from \$26 billion to \$56 billion in a very short period of time. It's costing us a lot of money to service that debt. I think we all have to recognize this.

Mr Cordiano: Try and take the ideological blinders off and be a little more practical about this.

Hon Mr Leach: Look, when the largest single payment you have is the interest on the debt, there's a problem. When you're spending a million an hour more than you're taking in—

Mr Cordiano: Minister, do you not think it would be far more effective—

The Chair: One at a time.

Mr Cordiano: Just a minute, I have the floor.

Hon Mr Leach: No, I don't think you did have the floor. I have the floor.

The Chair: Order, order.

Mr Cordiano: I'm asking a question.

The Chair: Let's get some order into these proceedings.

Mr Cordiano: Do you not think it would be far more effective at this point in time if you were to offer some incentive to first-time home buyers by way of a reduction and perhaps some—

Mr Kells: You could take the GST off it.

Mr Cordiano: Why not encourage the federal government to do that? Why not do that? Why not take the provincial sales tax off materials that go into the construction of those homes?

Mr Kells: Take it off land.

Mr Cordiano: Take off some of the additional costs.

The Chair: Mr Cordiano, could you hold on a second, please. If this continues, I may have to have a half-hour recess.

Interjections.

The Chair: I think the tempers are raging so high that I may have to do that. So let us proceed and see if we can complete these estimates by 12 o'clock. Mr Cordiano.

Mr Cordiano: Thank you, Mr Chairman. The fact of the matter is, I think it's appropriate at this point in time, given the market conditions, for you to stimulate that market, and you're not doing it directly. All of these policies that you've pointed to are long term in nature, will take some time to bring some measure of greater affordability into the marketplace. Quite frankly, you're not doing anything over the short term to stimulate activity, when I think it could be far more effective in terms of both your revenue-generation capabilities and, as well, making it far more affordable for those first-time home buyers to get into the marketplace. You're doing nothing about that.

You're doing nothing, on the other hand—and my friends to the left of me would advocate you continue to

build non-profit. I don't think that's the way to go. Quite frankly, I'm glad you've taken the decision to maintain the stock that's there and that you're not going to sell it off holus-bolus, at least I understood you said that, and furthermore, that you would try and upgrade the additional housing stock we have in Ontario Housing, which is badly dilapidated and badly in need of repair.

Hon Mr Leach: Agreed.

Mr Cordiano: You would not argue with me on that.

Hon Mr Leach: Certainly not.

Mr Cordiano: Given that we have such tight vacancy rates, particularly in Metro, what are your options? What are you doing to increase the supply? These are long-term initiatives that you've undertaken. They will take some time to work their way through the system. In the meantime, you're not increasing the supply. It's not significant enough over the short term to make any difference to people who are looking for accommodation, for people who are looking to buy their first home. I don't think you could deny what I'm saying.

Hon Mr Leach: You're not going to increase the supply as long as we have the policies that are in place at the present time. I'm talking about all of the issues that we've talked about over the last several days, getting additional rental stock on the market, for example.

Mr Cordiano: How? You say that, but it's not—

Hon Mr Leach: First of all, you have to deal with rent control. Then you have to deal with the tax situation, for example, both the property tax issue—

Mr Cordiano: Ah-ha, now we're getting to some real meat.

Hon Mr Leach: —and deal with the issue of a tax on building materials, for example.

Mr Cordiano: When are you prepared to do those two things? Give us an indication of when you're going to bring in a new rent control act or some other form of decontrol, which is what you're probably going to call it?

Hon Mr Leach: We said that we would have policies in place this year.

Mr Cordiano: This year? The spring session you're going to introduce something?

Hon Mr Leach: We want to consult with a number of the stakeholders that are out there to make sure that the policies we put in place are better than the policies that are there now, and we've indicated that we wouldn't make any change to the rent control system until such time—

Mr Cordiano: Okay, so you're going to lift rent controls by spring. What's what I'm going to be able to say to people?

Hon Mr Leach: Who said that? You said that. I did not say that. I said that we are in the process of developing policies, that nothing is going to happen to the current rent control system until we're confident that we have a system in place that will provide protection for tenants. I've repeatedly said that over the last two or three days.

Mr Cordiano: You've said "this year." I'm saying, give us a better time frame. Spring? Fall? When is it this year? You have to introduce the legislation in that time frame.

Hon Mr Leach: As soon as we're confident that we have a policy in place that provides protection for tenants.

Mr Cordiano: Okay, so some time this year you're going to lift rent controls. We can agree on that. In addition to that, you're talking about dealing with the property tax situation in Metro, the GTA. We can assume you're going to bring in legislation by the fall as well, or the spring? What is it?

Hon Mr Leach: On the GTA?

Mr Cordiano: You said we'll deal with the property taxation question.

Hon Mr Leach: What I was just talking about was the inequity of the property tax on apartments vis-à-vis the property tax on single-family dwellings.

Mr Cordiano: Right.

Hon Mr Leach: It's about four times the amount for an apartment building as for a single-family dwelling.

Mr Cordiano: Okay, so you're going to do something about that within this year, you've said.

Hon Mr Leach: Don't put words in my mouth, Joe.
1150

Mr Cordiano: I'm trying to understand what you're saying.

Hon Mr Leach: No, you're not. You're trying to put words in my mouth. I didn't say that we were dealing with that issue. I said there are issues that have to be addressed.

Mr Cordiano: I understand that. This is why I was very careful to point out to you that we're talking about the short term. We're talking about the short term because there are thousands of people out there who are either hoping to buy something or hoping to get accommodation that's decent because the vacancy rates are, once again, extremely low.

Hon Mr Leach: Why are they extremely low? Because nobody is building any new stock, and they're not building any new stock because of the inadequate policies that are in place at the present time.

Mr Cordiano: Fine. So you're telling me you're going to lift controls this year—

Interjection.

Mr Cordiano: If I may, you're going to lift controls this year, and in addition to that—

Hon Mr Leach: There must be a ventriloquist in here because I never hear myself saying those things.

Mr Cordiano: —you've indicated that you will deal with the property tax differential between apartment buildings and homeowners, the differential being four to one, five to one. Do I take it that I've got it correct now, what you're saying? I want to be clear about that.

Hon Mr Leach: Would you mind repeating that?

Mr Cordiano: We're talking about the differential in property taxation between an apartment building and homeowners and what they pay.

Hon Mr Leach: Yes.

Mr Cordiano: The difference being a difference of about four or five to one in favour of the apartment buildings, and it's unfair.

Hon Mr Leach: It depends on the community you're in, of course. It's about four to one in the city—

Mr Cordiano: We're talking about the GTA, Metro.

Hon Mr Leach: Yes. In Toronto, the City of Toronto.

Mr Cordiano: Now, this is what I'm saying to you. Specifically, you've said that you will do something about that this year, because we're talking about doing something on behalf of those individuals who want affordable accommodation. You're saying in effect to the world, any one who would listen, "I'm going to take action to do something about this problem." I'm asking you when, and you have indicated to me you will do this this year.

Hon Mr Leach: What we're doing right at the present time is that the GTA task force has tabled its report. We have that report out for consultation. We've appointed a panel to hold public meetings to ensure that we get input on all of the recommendations in the GTA task force report, which include property tax assessment issues and reform.

Mr Cordiano: Right.

Hon Mr Leach: When we have an opportunity to consult with all of the stakeholders in the GTA and allow for public meetings to ensure that we have input from all of the stakeholders, we will make decisions on the recommendations that are in the report. If the recommendations in the task force are supported generally, we would be in a position to bring in legislation later this year, hopefully, so that we can resolve this issue in time for the 1997 municipal elections.

Mr Cordiano: You agree with the Golden commission's recommendations in terms of pooling taxation and you agree with the net result that falls out of the recommendations?

Hon Mr Leach: I didn't say I agreed.

Mr Cordiano: Minister, we're talking about action that you're going to take, so don't look askance and say, "Well, this guy, where is he coming from?"

Hon Mr Leach: Mr Chairman, on a point of order: I did not say that. I did not once say that I agreed with the recommendations. I said we have the recommendations out for consultation, for public input, and when we receive that public input and consultation, then we will make a decision on the recommendations in the report.

Mr Cordiano: Then you will move to reform the property taxation system that we have currently in place in Metro and the GTA.

Hon Mr Leach: The property tax system that we have in the GTA does not work at the present time, and I think everyone agrees to that.

Mr Cordiano: But that's what I want to understand. You are prepared to take action to reform the current system. You are making a commitment to do that.

Hon Mr Leach: This government is prepared to take action. That's more than the last two governments were prepared to do.

Mr Cordiano: So what we can expect at some point in this year is that the property taxation system will be different from the one we have today.

Hon Mr Leach: I sure hope so.

Mr Kells: Pretty good, Joe. You're getting there.

Mr Cordiano: The Minister would make it easier for himself if he would say that at the beginning. I just want to know your level of commitment. You're going to make those necessary changes?

Hon Mr Leach: We are going to take whatever action is necessary to resolve the property tax assessment problem in the GTA.

Mr Cordiano: Okay, good. Thank you.

Mr Bisson: What a kettle of fish that's going to be.

Mr Michael Brown: These are just questions of information. How many public housing units will be coming on stream—

Interjections.

Hon Mr Leach: I'm sorry, I can't hear.

The Chair: May we have some order, please.

Mr Michael Brown: How many public housing units, whether co-op, non-profit, whatever, will actually come on stream this year?

Hon Mr Leach: There were 113 projects approved that are currently under construction. The majority of those will come on stream this year. I'm not sure how many units were involved in those 113 projects. That also included 13 projects for people with special needs.

Mr Michael Brown: Could we get the number of units?

Hon Mr Leach: Could I call on staff? Do we have the number of units that were included in those 113 projects?

Mr Chiesa: There are roughly 6,000 units in total that are at various stages of completion. Some will be completed this year, some may be completed next year, some were completed in 1995. So it varies. If you want the specifics as to when they will be completed, we can provide you that.

Mr Michael Brown: Most of them, though, will be within the two-year time frame.

Mr Chiesa: Yes.

Mr Michael Brown: How many units historically have come on the market in the last five years in public housing?

Mr Kells: Some 88,000 or 90,000.

Mr Michael Brown: No, each year.

Hon Mr Leach: I'll ask the deputy to respond to that.

Mr Burns: In 1992 and 1993, both years, it was between 10,000 and 15,000, but in 1994 and 1995 it was in the order of 5,000 or 6,000, I think. It will drop again to probably somewhere between 3,000 and 4,000 this year as the residual of the program is completed.

Mr Michael Brown: Do we have numbers on how many private sector units were built in the same period of time? I'm just trying to find out how many units came on stream in the province year by year so that we have some sense of how many units we're going to—

Mr Burns: I think the total volume of housing starts in Ontario, including the numbers that I just gave you, was in the order of 55,000 a year, 60,000 a year, for the last three or four years.

Mr Michael Brown: But that would include the single detached home.

Mr Burns: Yes, that's all dwellings.

Mr Michael Brown: Do we have a handle on rental units that would come on stream year by year?

Mr Burns: Private sector rental units in the last few years have tended to run around 1,500 units a year.

Mr Michael Brown: Does that include the so-called basement apartment?

Mr Burns: No.

Mr Michael Brown: Do we have any idea of how many of those there are in the province and whether they've been increasing or decreasing, or is that in never-never land, beyond statistics?

Mr Burns: By and large, most secondary suites inside single-family dwellings are created without a building permit and it is a building permit that's used to track the housing start system. I think the universe estimate for secondary dwellings in Ontario is in the order of 100,000. Anne probably has the whole—

Ms Anne Beaumont: Our estimate was that we were looking at approximately 100,000 that were illegal at the time that legislation was changed last year, but in addition to that, there were the legal ones. So you're probably talking of something like 140,000.

Hon Mr Leach: Mr Chairman, I notice that—

The Chair: Don't anticipate me, Minister.

Yes, we have come to the end of the interchange of estimates for the Ministry of Housing. You were saying something, Minister?

Hon Mr Leach: I wanted to thank you, Mr Chairman, for conducting the estimates process. I want to thank all the members of the committee for their input into the process. There has been some interesting and lively debate. I know that everybody is very sincere in the positions that they take.

Mr Bisson: Including you, Minister.

Hon Mr Leach: Including myself. I would like to be included in that category. I think everybody in all parties and at all levels of government, and certainly in this committee and the entire Legislature, wants to ensure that the best interests of the citizens of Ontario are always paramount in the actions that we take. I think the process that we've undertaken here over the last two or three days is part of that process. So again, members of the committee, thank you very much for your input. Back to you, Mr Chairman.

The Chair: Let's see if they're going to pass these votes first, Minister.

That, as I said, is the end of the Ministry of Housing estimates for 1995-96. We'll proceed now in taking the vote.

Shall votes 1601 through 1604, inclusive, carry?

Carried.

Shall the estimates of the Ministry of Municipal Affairs and Housing carry?

Carried.

Thank you, Minister, and your excellent staff. I say that with a lot of emotion and passion too, because I have seen the same group of people over the years, very loyal to the cause, and to the members who have participated, the Conservatives, the NDP and the Liberals.

We stand adjourned until 1:30, when we come back for the Ministry of Transportation estimates.

The committee recessed from 1200 to 1331.

MINISTRY OF TRANSPORTATION

The Chair: We'll begin the estimates for the Ministry of Transportation. Minister, welcome. To lay out the rules, it's 15 hours of estimates for the Ministry of Transportation; the minister has 30 minutes to make

opening remarks; the opposition has 30 minutes to respond; and then we open it up for our usual discussion.

The minister has a handout of his opening remarks. We will ask the minister to proceed while we get copies. I understand that the GO people are also here from the Ministry of Transportation. I worked with GO when it started, so I have close connections with GO Transit.

Minister, you have 30 minutes, sir.

Hon Al Palladini (Minister of Transportation): Thank you, Mr Chair. Good afternoon, committee members, honoured guests.

The Harris government was elected to carry out the Common Sense Revolution. In the past eight months, we've shown that we are prepared to make the hard decisions. We are delivering on our commitments to cut spending, change the way government works, focus on core businesses, and bring prosperity and hope back to Ontario.

I have several people here from the ministry with me to help explain our plans. I want to talk about several issues today. I'll start with our economic situation, then I will outline what the Ministry of Transportation does and how it fits into the government's general spending strategy. This will show you our priorities for Ontario's transportation system.

Our first job as a government, and the voters' top priority, is to get the province's books in order. That's exactly what we're doing. And we're fixing things so that taxpayers feel the government is working for them again, not the other way around.

We knew from the start that Ontario's finances were in bad shape. The provincial government was spending twice as much as it had been a decade earlier. It was spending \$1 million more an hour than it was taking in. Ontario's debt stood at \$100 billion. The cost of financing it was eating up \$9 billion a year. Clearly, this situation couldn't continue. Things were critical. That's why we acted so quickly and so decisively.

On July 21, less than a month after our government was sworn in, the Finance minister announced \$1.9 billion in spending cuts. Then, on November 29, we released an economic statement with further steps to bring spending under control. These measures will reduce our government's spending on its own operations and administration by a total of \$1.4 billion by the end of 1997-98. As a result, this year's deficit will be \$9.3 billion, almost \$2 billion less than if spending had continued in the old way.

But spending reductions are not enough. In the next four years we will reshape government so that it learns to live within its means. This is how we will reduce the burden of debt hanging over the head of every taxpayer in the province. That is where we're cutting, and why. Now I want to show you where we're investing.

Our government plans to invest about \$3.4 billion in capital spending in 1995-96, and that investment quite literally helps keep the province moving. It keeps our roads, highways and bridges well maintained and safe for Ontario's seven million licensed drivers, and it gives shippers the kind of transportation network they need to be competitive.

The ministry's plan for 1995-96 called for about \$1.8 billion in capital spending. Traditionally, this money has helped pay for everything from culverts, bridge decks and local airports to transit, municipal roads and provincial highways.

But the spending crisis demanded a change, so right from the beginning last summer we brought in spending constraints. These constraints force us to choose only the high-priority areas for spending where there is the greatest economic payback, and constraints force us to concentrate on the areas that benefit the largest number of people, from commuters to truckers.

For example, we are concentrating on the rehabilitation and maintenance of our highways now. The longer you go without doing this kind of routine work, the more it will cost you to maintain roads in the long term. With our approach, we can avoid having to rebuild completely in the future.

When times are tough, you have to spend only where the need is the greatest. Let me give you some examples. It's been obvious for years that the greater Toronto area, Hamilton and Ottawa all needed new highways. In the GTA it was Highway 407, for Hamilton it was the Red Hill Creek Expressway, and for Ottawa it was the completion of Highway 416. I'm pleased to report success on all fronts.

The 407 is going ahead right on schedule. The province and its roadbuilding industry have learned a lot from the Highway 407 project. Congestion on the 401 through Metropolitan Toronto and the GTA is a major economic drain, costing \$2 billion a year. Highway 407 will go a long way to fix that. When it opens later this year, it will send the strongest possible signal that government and businesses can achieve great things together in Ontario. Again, everyone benefits. Businesses and travellers moving through the greater Toronto area have a new, low-cost route to move people and goods, much sooner than they would have otherwise.

We also came to office with rock-solid commitments to build Red Hill Creek and 416 south, and we are following through on those commitments now because we understand that they're critical. We will invest \$20 million a year for the next five years to build Red Hill Creek Expressway. Highway 416 south is a \$127-million project partly funded by the federal government. It will be finished by the year 2000, providing a vital link between Highway 401 and the nation's capital, and, as the federal minister said when we met to sign the agreement in December, we're doing it in a way that respects fiscal reality.

All three projects are important to their regions. They will help strengthen their local economies and boost private development.

I want to turn now to the way the ministry itself works. To help fulfil the government's mandate, MTO reviewed all its businesses and drew up its own blueprint for change, based on the Common Sense Revolution. The ministry asked: Which activities and services should we continue to provide and which ones should we let go? Who can manage those services in the most efficient, cost-effective way? How can the ministry itself operate more efficiently? The goal was, and is, to identify

programs, services and activities that are clearly in the public interest and to clearly define the ministry's role in those areas. Our review gave us the information to make decisions for the future, and it will change the way MTO works.

Historically, the ministry has been involved in every facet of the design, construction and maintenance of Ontario's transportation system. Staff was closely involved in almost every aspect of a project, from the temperature of the asphalt used to build highways, to arrivals and departures at local airports. MTO took a "father knows best" approach to working with contractors and partners.

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Today, everyone understands the need for new approaches, new ways of doing business that focus on increasing efficiency and effectiveness. People may be comfortable with the old ways of doing things, but tough times demand smarter work and getting the best value for each dollar spent.

The ministry will change how it works. It is moving away from doing the job itself to managing others who can do it just as well, if not better. It's going to stop rowing and start steering. It will focus on outcomes and the best way to achieve them.

That means setting standards, letting contractors decide how to meet them, and then measuring the results and holding those contractors accountable for the quality of their work. There are many benefits to doing business this way. For one thing, it focuses government on governing and allows business to do what it does best.

MTO is also changing the way it administers construction contracts. It's making the process simpler and more businesslike. As well, in some cases we are moving to larger contracts, contracts that cover most or all of a particular project instead of this bridge or that off-ramp. We can no longer afford to tender hundreds of small contracts and have ministry staff out there every day, getting involved in every detail.

The ministry is exploring many options to get the job done even more quickly and efficiently and at the lowest cost. But it's important for you to know that MTO will continue to set standards and hire qualified contractors. The change will come in the relationship with those contractors. All kinds of new work arrangements are possible. I've already talked about some of them; many others are in the works. But it will definitely mean that contractors must take more responsibility for the job they do—and remember, responsibility cuts both ways. Yes, contractors will have more freedom, but they will also have to live up to their full potential.

When it comes to creating a more positive climate for investment, often the best thing government can do is just get out of the way, and in some cases, that's exactly what we're doing.

Our approach to shortline rail is a good example. Our government has changed the law to make it much easier to set up a shortline operation in Ontario. We have removed or reduced 40 years' worth of regulation and red tape. Short lines can offer a good alternative to abandonment. They offer lower costs and greater flexibility. In many cases, they can provide a tailor-made rail solution to a local shipping concern.

I can point to the success of the Goderich-Exeter railway in southwestern Ontario. In its first two years, it almost doubled the number of loads it carries. That means more than \$1 million a year in business to the town of Goderich. Our new shortline rail is a perfect symbol of our commitment to create a strong business climate in Ontario. It represents a major shift in how MTO works.

In much the same way, our relationship with the municipality is evolving. In his November 29 economic statement, Mr Eves announced new block funding arrangements for municipalities. The \$1-billion municipal support program includes funding that used to be allocated to municipal roads and to maintenance work on highway connecting links. For years, local governments have wanted freedom and flexibility to make their own spending choices; they want to be able to use more efficient ways to deliver programs and services. The municipal support program gives them that and more.

As municipalities take on larger roles in managing their own transportation, the province will give them control over many provincial highways that now serve mostly local purposes. This will mean that municipalities can be more flexible in their land use and development decisions.

These changes can't happen overnight. To help ease the way into this new block funding system, we established a \$100-million transition fund. The fund will let the government meet its outstanding commitments. These commitments include some projects that are already under way: the Red Hill Creek Expressway, funding for joint projects with the federal government, and investment in all the projects deferred last year.

That's one place we're saving money. Another is winter maintenance. There has been a great deal of discussion about winter maintenance this year, and for good reason. In many parts of the province this winter has been especially bad. We have changed the way we manage the shifts for winter maintenance. We have found efficiencies not by slashing an essential service but by using the best skills, people and equipment in the business and using them more efficiently.

I want to be very, very clear about this issue: We have not compromised the safety of the people who drive our highways and we will not do so. We will also never gamble with our industries' ability to get their goods to market. There has been some misunderstanding about our commitment to winter highway safety, so let me say this as clearly and as strongly as I can: We are doing, and will do, whatever it takes to meet our obligations to keep the roads clear and safe this winter and every winter. The ministry will continue to meet its standards.

We've changed to be more efficient in several areas. That means, for example, rationalizing road patrols and only bringing in drivers when we need them instead of having them on call when there was little or no work. And we've been able to deal with whatever Mother Nature has dished out this year. I'll give you an example.

The area of Sault Ste Marie got six feet of snow in the first 10 days of December. In just two days we got the roads clear enough so the area could get back to work. The same amount of snow paralyzed the eastern seaboard in the US for two weeks.

We're doing research and development to identify more potential savings, but it does take time. We'll be working towards better winter maintenance solutions for many years to come.

Our commitment to road safety is a year-round commitment. In October, the Attorney General, the Solicitor General and I unveiled Ontario's action plans for road safety. These comprehensive plans spell out how the Harris government will address key areas of road safety: trucks, enforcement, drinking and driving, and aggressive driving. They contain measures for the short, medium and long term. The goal is to reduce the tragic costs of collisions. The plans are the basis for everything our government is doing, and will do, to enhance the safety of our roads.

Much of the ministry's contribution to that road safety package was about improving truck safety, and the cornerstone is a carrier safety rating system. It's a system with one purpose: to improve road safety by identifying the good and the bad guys in the trucking industry and to make it 100% clear which ones are which.

Everyone will be able to find out a company's safety rating, and I mean everyone, including insurance companies, shippers, potential clients and the general public. A good safety record will be as valuable to the businesses as high efficiency and low operating costs.

Our road safety plans also call for sweeping changes in the way truck and bus drivers learn their jobs and earn their licences.

The plans also end the moratorium on axle weights. Full enforcement will begin on July 1 this year. That will mean fewer unsafe trucks on the road and less wear and tear on our infrastructure. We're also looking at higher fines for truck safety infractions and at the whole range of possible sanctions and penalties.

But I want to let you know that the ministry is not making these changes in a vacuum. We're consulting widely with those involved, getting their input and making the best possible decisions. For example, we've held meetings with interested individuals, groups and associations. In the fall, I chaired a truck safety summit. That meeting brought together many key players for a full and frank discussion of the problems we all face and how to best address them.

This kind of work must, and will, continue. Road safety is something that each of us can work on individually to make things better for everyone.

1350

Today, innovation is at the centre of the Ministry of Transportation's work. The ministry is constantly finding new ways to use technology to make Ontario's transportation system even better. We could talk about the electronic road signs that now ring the Toronto area; we could look at the global positioning systems that will soon be a major factor in shipping manufactured goods; or we could consider the credit-card-sized transponder that will let you zip along Highway 407, at the speed limit, of course, without having to stop for a toll booth.

All this new technology promises to make our transportation system run more smoothly and efficiently and keep it affordable. I'm proud to say that the ministry leads the way in developing it.

The Ministry of Transportation is doing its part to make the Common Sense Revolution a reality in Ontario. Everything the ministry does is under review to make sure it stays relevant. It will continue to meet Ontario's transportation needs using its strengths: planning on a provincial scale, linking services and costs, and ensuring that those who benefit from services pay an appropriate share. The ministry is focusing on governing, while giving others the room to do what they do best. That means letting municipalities make their own spending decisions based on their priorities and involving contractors in design-build innovations.

We believe this new environment will lead to better decisions and higher-quality work, and that benefits the whole province. There is a clear sense of purpose behind what we're doing. The Harris government, and the ministry, remain absolutely committed to the ultimate goal of a stronger, healthier transportation system that serves Ontario's economic and social needs. In a nutshell, that's what the Common Sense Revolution is all about.

Ontario taxpayers now have a provincial government that will give them what they want: better, more efficient service at a lower cost. We will have to make some changes, changes in the way government works and changes in what people expect of government. But in transportation, as in all areas of government service, we will do whatever it takes to get Ontario working again. That's why we were elected and that's what we're doing.

Thank you for giving me the time to address your committee. I will be happy to answer your questions.

Mr Mike Colle (Oakwood): I thank the minister for his outline. There's a question that really begs to be asked. You talked about how decisive this ministry has been and how quickly it's acted, and you say you act where the need is the greatest.

As you know, Minister, for the last couple of years there has been a horrendous number of truck-related accidents on our highways. For 10 years, there have been recommendations on what to do to fix the problem. Even the coroner's jury has recommended quick action—31 recommendations. One of the simplest things they asked for is increased fines to bring home the point that making our highways safe is an urgent need that has to be acted upon quickly. Continually, you've given excuses, you've put things off. Nothing of any consequence has been done, and the proof is in the pudding.

A couple of weeks ago there were two random checks of trucks. One truck in fact was an East York truck. Another truck belonged to Tudhope, a company that one minister's wife runs. They were found to be unsafe: 75% of the trucks, that you said are safe now, were not safe to be on our highways. Why have you kept stalling? Why do you refuse to take action? Why does your government not implement the 31 recommendations or at least the most basic ones: higher fines, mandatory training, doing something about the inspection stations, which are a relic of the past? Why do you keep stalling on something that is crying out for urgent action?

Hon Mr Palladini: I want to thank Mr Colle for the question. It's a very good question and one very important to me in terms of the initiatives this government has been taking on road safety. Certainly I would like to

reassure you of my personal commitment to road safety. As I've said earlier, this government remains committed as well.

We have considered a lot of the initiatives from the Worona and Tyrrell accidents, and in terms of what we have announced presently on the road safety plan, I believe we've made some tremendous headway. To refer to our people stopping trucks on the highway, with the numbers actually going up in terms of off-road recommendations, I feel that in itself is also a message that we mean to do exactly what we said, that we are not going to tolerate.

A number of changes have already been initiated, and a lot more changes will also be initiated. As I outlined in my remarks, these things, unfortunately, cannot be done overnight. We've got a short-, medium- and long-range plan on how to initiate a lot of these things that were recommended.

I'd basically say to you that as far as the fines are concerned, certain things have to be done for fines to be changed, and we are in that process. That in itself is going to happen very shortly, and I do understand.

I want to take the opportunity to turn this over to Rudi Wycliffe. He will be more than happy to share with you some of the things we've implemented and some of the other things that will be implemented shortly.

Mr Gilles Pouliot (Lake Nipigon): With respect, Mr Chair, while there's a flow and with your benevolence and understanding, the format, please. I'm just seeking clarification. The Honourable Mr Palladini, minister de jour, half an hour allocated. Is this exercise with Mr Colle part of his half-hour?

The Chair: The minister has 30 minutes to make his opening remarks. The opposition has 30 minutes to respond, and in the response he's asking questions. Then you get your 30 minutes. You can, as eloquently as always, do your 30 minutes when the response comes.

Mr Colle: The only question is, how long will this response be from the bureaucrat? Is that going to be part of my time? If so, I'd rather hear from the minister. I don't want to hear from the bureaucrat.

The Chair: You asked the question and the minister asked for some assistance. I would ask you to respect the fact that he has 30 minutes in which to make his response; he will be as precise as possible.

Mr Colle: Can I direct my question at the bureaucrat so he can narrow his focus? I don't want a long speech.

The Chair: Let me put it to you this way, Mr Colle. You have 30 minutes in which to respond. You have 15 hours for these estimates. You can generate all the questions you want without any response now, or you can decide to suspend the sermon for the time being and continue with your response. You can do that.

Mr Colle: My simple question is, considering the urgency of truck safety, why the stalling and the delay and the inaction on the simple recommendations of the Worona-Tyrrell coroner's inquest? Ten years of proposals; nothing is really new. Why the delay? For instance, in Bill 26 they amended 47 pieces of legislation; they said there was an urgent need to make things right. Why couldn't some of these amendments have been thrown in with Bill 26 if it was of such urgency, as most of the

public certainly considers it to be? Why wouldn't it have been brought in at that time, considering the public safety risk on our highways? That's the basic question I'd like you to deal with.

1400

Mr Rudi Wycliffe: My name is Rudi Wycliffe. I'm the acting assistant deputy minister of the safety and regulation division of the Ontario Ministry of Transportation.

As I understood Mr Colle's question, he wants to deal specifically with the recommendations arising from the Worona-Tyrrell inquest in October 1995 and what the ministry has done in response to those recommendations. I would like to go through those recommendations one by one and give a response to very clearly indicate what—

Mr Colle: I want to know why they haven't been implemented, quickly and to the point. Why the continual stalling on things that are very straightforward? How many of the 31 have been implemented?

Mr Wycliffe: In terms of the 31 recommendations, if I start with the first one, which I think is a very key recommendation in terms of the inquest, which deals with the mandatory training and certification programs, the recommendation reads, "Mandatory training and certification programs should be established for all individuals involved in tire and wheel installation with input from OTA"—the Ontario Trucking Association—"and the Canadian Transport Equipment Association and the" Ontario Training and Adjustment Board.

The training and certification programs referred to in this recommendation fall under the mandate of the Minister of Education and Training.

Mr Colle: Wait a minute now. The question I asked: Out of 31 straightforward recommendations, Mr Wycliffe, how many have been implemented and put into action by your ministry? I want a number—31, 5, 6, 18?

Mr Pouliot: Answer the member's question. Start doing your job.

Mr Wycliffe: If you'll give me a minute to go through the list, I will endeavour to answer that question.

Mr Colle: No, just give me a number of how many have been implemented out of the 31; it's that simple.

The Chair: Would you like him take some notice and come back to you?

Mr Colle: Do you want to just review those and come back?

Mr Wycliffe: Perhaps the best thing I can do is just scan through them and hit the ones that I would like to comment on in terms of—

Mr Colle: No, no. I asked you how many have been carried out; that's a pretty straightforward question.

Mr Wycliffe: From a quick scan, I would say the answer is six.

Mr Colle: Six out of 31?

Mr Wycliffe: That's correct.

Mr Colle: What numbers are those that have been implemented?

Mr Wycliffe: Number 9, which is, "Owners and drivers should be educated on the consequences of failure to comply with regulations requiring a proper '27-point pre-trip inspection.'" That has been an ongoing practice, both in terms of the ministry providing that information—

in fact, we distributed that information during our Roadcheck '94 blitz, and it is standard knowledge in the industry, with a lot of training programs available, both through the various trucking associations and through ministry enforcement staff, who are available and accessible to the industry.

Mr Colle: When did this start?

Mr Wycliffe: This has been ongoing for a number of years.

Mr Colle: Why would the coroner's jury recommend that it be done if it was already ongoing? If they thought it was adequate, they obviously wouldn't have put it in as a recommendation. So obviously there's some kind of miscommunication here or there's some kind of misinformation.

Mr Wycliffe: From my perspective I agree that the ministry has a role to play in the process, but to suggest that the Ministry of Transportation is going to undertake the responsibility for the training of individual staff, individual truck drivers, individual mechanics and individual truck owners and operators I think is a little bit inappropriate and impractical. We think there's a major responsibility on the industry itself, on the consultants to the industry and on the resources that the industry can draw upon, to provide that kind of information. There are no secrets in terms of the program, there are no secrets in terms of the standards or regulations, and it is simply a matter of commitment by individual trucking companies as to whether they choose to enforce the requirements of the law in Ontario on their garage mechanics, their maintenance people and their truck drivers.

Mr Colle: Wait a minute. I'm a bit perplexed with what you said. You said you've complied; then you countered that by saying that basically you don't agree with it, that it's not your job, that it's the job of the truck garages and the truck owners. Now, the jury made this recommendation. Are you saying that they're wrong, that it isn't your job to educate, as they say here, owners and drivers?

Hon Mr Palladini: I would like to answer. Mr Colle, in answer to your question, basically the recommendation was a suggestion by the inquiry for our ministry to consider implementing this particular change. I believe that Mr Wycliffe has said to you that this has been an ongoing process, in possibly not quite the same area but it has been an ongoing process. The recommendation of the inquiry I believe is that MTO should take the lead working with the industry to see how best and how quickly we can achieve that. So I believe the answer you're looking for on that particular item I have just given to you.

Mr Colle: So what are you telling me then? That you've done this, you've complied with the jury recommendation?

Hon Mr Palladini: I think Mr Wycliffe was very explicit, and he said that this has been an ongoing thing. We are presently working with the associations and all possible groups that would have some input, and we are going to come up with a plan that can best be suited to teach drivers in the industry.

Mr Colle: No, but he said this was implemented. I asked him when it was implemented. He said it was

being done over the last couple of years. So is the coroner's jury wrong in asking for it to be done? They must have seen some kind of gap in the education or else they wouldn't have put it in here. I'm asking you, when did you start to adhere to what the coroner's jury recommended?

Hon Mr Palladini: We have started the process. I believe we have been working with the associations and the groups to see how best we can implement such an education for driver training as quickly as we can. It has been started maybe in a lot more full detail in the past four months, but certainly like Mr Wycliffe is saying, this has been ongoing, as a ministry, to work with the association and these groups to see if something can be resolved. But we are committed to that recommendation.

Mr Colle: When did you commit and how much did you commit and what's the name of the program?

Hon Mr Palladini: I have told you that has been a commitment. We've been working with the industry and its groups, possibly as many as three and a half months ago. So it's an ongoing thing to see how we could come up with the proper way of teaching these drivers.

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Mr Colle: Another question about road safety is that you've said you've consulted widely. Have you, up to this date—I've asked you the same question in the House—talked to the front-line OPP officers, the truck inspection unit, the ones who are underneath the trucks, who pull the trucks off the highways? Have you or your ministry people gone to get information from them on what they would recommend might help make trucks safer? Why I ask this again is because again it was reported in the paper last week during these inspections that you still hadn't contacted the front-line OPP officers about how to make our roads safer. Maybe they're mistaken. Have you contacted Sergeant Wolfe or Sergeant Cam Woolley and asked them how we can make our trucks safer on our highways?

Hon Mr Palladini: Thank you for the opportunity to respond to that question. What I would like to definitely say to you is that we have made a lot of time with a lot of interest groups, including the OPP and the trucking association, to see how best we can work together and resolve the situation we have. I might like to say this as well: I believe I am probably be the first minister in a number of years who has had a face-to-face conversation with our inspectors, and I'm probably the first minister in a long time who has actually gone on a road stop just to see exactly what is going on. So as far as that goes, Mr Colle, I would like to say to you that we are doing what we're supposed to be doing.

Mr Pouliot: On a point of order, Mr Chair: I come from the house of benevolence. This man here cost me \$30,000 a year. I don't mind that at all; that's the way it goes. But when that man there says—I was the minister not that long ago, and I too shared the same informative and pleasurable afternoon—

The Chair: What's your point?

Mr Pouliot: —as he did, right on the 401. So Al, come clean.

Interjections.

The Chair: Order.

Mr Colle: Again, I have this specific question. You've got a nine-man, nine-woman inspection unit from the OPP that inspects trucks. Why are you refusing to talk to them face to face? It was brought up in the House. Why don't you go talk to the front-line OPP truck inspection unit about making our roads safer? Why the reluctance? I can't see that it makes sense, politically or safetywise. Why won't you talk to these front-line officers?

Hon Mr Palladini: I believe I gave you the same answer in the House. It is an ongoing situation. OPP involvement is ongoing; it never stops.

Mr Colle: No, no, the front-line officers. Why won't you talk to them, Al?

Hon Mr Palladini: We have over 200 front-line officers who constantly talk with OPP people—

Mr Colle: No, I'm asking you. Why won't you go talk to Cam Woolley, to Sergeant Wolfe—

Hon Mr Palladini: I have talked to Mr Woolley. On a couple of occasions I've talked to Mr Woolley.

Mr Colle: Oh, you have, then.

Hon Mr Palladini: I have talked to Mr Woolley. And so have our people talked to the OPP. It is an ongoing thing; it doesn't stop. It isn't something that you're going to stop and then pick up again. It is ongoing. After all, the OPP and Ministry of Transportation must and will work together.

Mr Colle: But isn't the fact that 75% of the trucks that were pulled over two weeks ago were unsafe basically telling you that you'd better get on with fulfilling these 31 recommendations, that all the so-called actions you've taken so far have done nothing to improve truck safety? In fact, Mr Minister, a flying truck wheel on January 4 went right through your inspection station outside of Essex, Ontario. How much of a clearer message do you have to get, when a flying truck wheel goes right through an inspection station, that you have to do more than what you're doing, that you have to implement these recommendations in order to make our roads safe? What's the roadblock? What's stopping the basic initiatives that everybody's been asking for—the increased fines, the mandatory training, the stopping of people from driving trucks when they're under appeal, trucking companies that have records with 10 years of unsafe trucking that are still on the roads? When are you going to put a stop to that? How many more truck wheels—do they have to fly into your office here in the Macdonald Block before you'll do something? When will you finally do something in terms of increasing fines etc?

Hon Mr Palladini: We believe that this government has a tremendous plan in place to see how we can rectify those shortfalls, and if you would allow Mr Wycliffe an opportunity to tell you where we are in implementing some of these changes you're referring to, you would have a much clearer and better picture and also see that the Ministry of Transportation is in fact acting very quickly and swiftly to make sure that these initiatives are put through.

Mr Colle: I'll let Mr Wycliffe respond in the balance of your half-hour at the end, and I'll be looking forward to that, but the proof—

Mr Preston: Oh, no, Mr Chairman, I don't think we're prepared to accept that.

Mr Colle: Well, wait a minute. It's my time, Mr Chairman.

Mr Preston: No, have him respond in your time. Don't have him respond in our time.

Mr Colle: It's not your time.

The Chair: I'll chair it and make sure that everything—

Mr Preston: Thank you. I have full confidence in you, Mr Chair.

Mr Colle: In another area, in opposition your government was very critical of Highway 407 funding. The question that I have is, how much money has your government spent on Highway 407 funding since you've come into power?

Hon Mr Palladini: I would like to share this information with you, Mr Colle, and all the people here. The 407 project is going to be a tremendous highway that Ontario is going to be measured by, and in so far as the funding, as far as yesterday is concerned, we will not be spending one dollar more than we would have when we first contracted.

Mr Colle: How much have you spent so far?

Hon Mr Palladini: It's a billion-dollar operation, I believe, and it's still a billion dollars.

Mr Colle: No, I asked you, how much have you spent this year on Highway 407 funding?

Hon Mr Palladini: You're talking up to date, in other words?

Mr Colle: No. Since you came to power, how many millions have you spent as a government on 407 funding?

Hon Mr Palladini: I guess I can give you that information. I have Mr Galange here, the president of OTCC. I'm sure he can give you the exact number.

Mr Colle: Yes, how much? That's all.

Hon Mr Palladini: So you want to know how much money we've spent to date on 407.

Mr Dennis Galange: I can get you the numbers. I don't have the exact numbers for you.

Mr Colle: Well, how many? Fifty, sixty, a hundred? Give me a ballpark figure.

The Chair: He said he'd come back to you again.

Mr Galange: I'll come back to you with the proper number. I'm not going to try to guess a number.

Mr Colle: Could I also get the amount of money the private sector has spent, as compared to what your government has spent?

Mr Galange: I don't understand what that question means. It's a design-develop-build contract. We are responsible for reimbursing the developer for the trades as the trades are to be paid. It's on a holdback basis. We advance against those budgets. We do full inspections for percentage completion and advance on that basis. It's a \$930-million contract overall, basically spread over the three years.

Mr Colle: Let me just take you back a bit. You're spending money—it's supposed to be a partnership, right?

Mr Galange: No. We are financing the total project. It's a design-develop-build as it relates to constructing the highway.

Mr Colle: So all the money so far has been spent just by the government.

Mr Galange: Correct.

Mr Colle: So you'll give me the figures of how much.

Mr Galange: Yes. I'll give you the specifics of how much was spent since June, whatever the date was that you're asking.

Mr Colle: Do you have any idea of the profits that have been made on construction so far by the corporations?

Mr Galange: No, I don't.

Mr Colle: Can you get that for me?

Mr Galange: I can't release that kind of information. It would be conjecture. I don't know what kinds of profits the private sector would make on it. What I do know is that it was a hard, competitive process of tendering and that the lowest cost was the tender we selected.

Mr Colle: You're telling me you can't find out how much money these companies have made as a result of this contract to build—

Mr Galange: Of course not.

Mr Colle: Why not?

Mr Galange: Because I can't estimate what their profits might be in certain circumstances. I can't tell you, for example, if I'm buying widgets from company XYZ, how much profit they're making on the widget.

Mr Colle: Who is putting up the money?

Mr Galange: The money is being put up by the government at this point on an interim plan basis.

Mr Colle: When do you get that money back?

Mr Galange: The money will be recovered through the net toll revenue cash flow from the project. It will be recovered over an amortization period of approximately 25 years.

Mr Colle: Up until 25 years from now, you'll have no idea of what the private sector's profit share of the project is? Will you ever?

Mr Galange: No, I don't think that kind of information is realistic to expect to have.

Mr Colle: It's not realistic?

Mr Galange: No. I'm bidding on a project against other competitive bidders and I'm not going to say to you, "My profit margin is X; his is X minus two." You don't know what those are. You have an estimate of what it would cost if the ministry were to proceed and do the specs and use its own standard costs to assess what the total price would be, but whether an outside, private sector contractor could take advantage of economies of scale and other opportunities to reduce his costs, I don't know what his ultimate profit is going to be. I can't give you a number; that's not reasonable.

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Mr Colle: But since the government is putting up the money, taxpayers' dollars basically for this project, wouldn't it be—

Mr Galange: No, wrong. The government is financing the project. The project will repay the debt out of its cash flow. That's no different than my going out, and I will be doing this, and borrowing the money from the private sector to finance the project.

Mr Pouliot: It's 1%—

Mr Galange: It's cheaper right now with the government financing it the way it is, but as the project matures, we expect that we'll be able to access the private sector markets and replace that very competitively.

Mr Colle: So you're not interested in finding out what profits are being made, as far as the government of Ontario?

Mr Galange: We are satisfied that we have accepted the lowest-cost alternative and are getting the highest value on a process that required competitive bidding, like any other contract you would competitively tender.

Mr Colle: All you're doing is writing the cheques, basically.

Mr Galange: We are doing a lot more than writing the cheques. We are inspecting the project significantly, the percentage completion of the project. We are overviewing the standards, the quality assurance, all of those functions, to make sure that the project is coming in according to the specs, according to safety standards and everything else, and that if we are advancing any money against the project completion, it's fully supportable by engineering percentage completion reports.

Mr Colle: You will be bringing forward the amount of cheques you have written so far on this project to the private sector?

Mr Galange: Yes, I will.

Mr Colle: Thank you. In terms of Highway 407, in the House, Mr Minister, you denied the fact that these tolls would mean that you could put liens on personal property if these tolls were not paid. Do you now realize that Bill 26 allows for liens to be put on personal property? Why wouldn't it just be sufficient to put liens on people's vehicles? Why do you have to go to the extreme measure of putting liens on people's personal property and assets?

Hon Mr Palladini: I believe, Mr Colle, that I did not deny; I just said that basically there wouldn't be a need.

Mr Colle: Oh, no, that's not what you said.

Hon Mr Palladini: As for the legislation, the legislation we have in place affords us that right, that we can lien personal property.

Mr Colle: That's not what you said in the House, Mr Minister. Do you want check Hansard? In the House, you said this is just about cars; it's got nothing to do about house cars, or something.

Hon Mr Palladini: I'm going to say the same thing. This is about cars, not houses. We have no intention of lienning someone's house. That is a safeguard that is in the bill; so be it.

Mr Colle: The power is there, but you never use it.

Hon Mr Palladini: If you would like me to answer your question, I'd be more than happy to.

The Chair: I think we could get Mr Colle's answer in the next round. I ask the NDP. You have 30 minutes in which to respond to the minister. You can use it in any way, but please keep within the rules.

Mr Pouliot: Thank you very kindly, Mr Chair. It's somewhat unlikely that I will use the limited time available to the third party to ask too many questions, because we will have to share the time with my colleague and friend M. Bisson. I might have one or two questions vis-à-vis the number of employees at Transportation at present, what are the plans for the future in keeping with the bender, the binge which is the Common Sense Revolution.

Let me begin by congratulating the minister on his appointment. It's a pleasure to see the minister at esti-

mates. It's becoming more difficult to see ministers of the crown by virtue of being busier than ever, they will say, or because the prominence, the stranglehold, that the Premier's office has on their members of cabinet is an invitation to best evaluate under the cover of darkness. Simply put, the less you see of us as cabinet ministers, the better off the province will be.

I want to use this opportunity to commend people that work for the Ministry of Transportation. The minister is blessed with not only a dedicated but a very loyal and knowledgeable staff who go beyond the call of duty. You have to work very hard to get in trouble when you're the Minister of Transportation. There I think you've been working extremely hard and I will point out some examples. We have done battle in the House.

You began your remarks by mentioning the CSR, the Common Sense Revolution, and I have a copy of the manifesto right here in my hand on the Common Sense Revolution. I haven't been here too long, but I share the same date, I trust, with two of my colleagues, 11 years. It's not a long time, but enough to mention that I have never worked with such zeal. It's as if they meet their main person each and every day. That's the lot to which you belong, those who endorse the Common Sense Revolution: 725,000 jobs over the next five years. No, this will not happen, even for it is written.

A 30% tax cut over three years, and that's the catalyst of your Common Sense Revolution. It's also its glass jaw, its weak point. It says half in the first year, specifically half in the first year. So don't offer advice, just give me money by June 8. No, it will not happen.

You've mentioned that your budget was to come in at some \$2 billion less than the previous administration. The Common Sense Revolution mentions that the budget will be balanced in the first term. No, it will not happen.

You're looking at \$15 billion, \$10 billion by your own admission, which is the present deficit, and by estimates an additional \$5 billion, so that's \$15 billion that you have to reconcile in a period of one term.

When I come back here next year, Minister, how many of these fine people will still be here, those women, those men making a living and serving the public good, serving Ontarians? Because you, sir, as a member of that vigilante, with unsurpassed, unparalleled zeal, intend to cut, and I will be asking, is it 1,500? Is it you, madam? Is it you, sir? Because you will slash and burn. That is your policy. That is the bender you're on, that's the dangerous treadmill you're on, and this you will do with passion, and you will do that with vengeance. And we will be there, sir, to remind you.

The 407, approximately 20,000 jobs, about 69 kilometres, \$928 million aside from the gadgetry, the gizmos, a project that was much needed for all the reasons, just-in-time delivery, ease of congestion, give people an option, a project that was questioned at great length by the member of the third party. Oh, but I guess that was then. They're the government now.

1430

The 416, which has a political, to say the least—I'll be kind—a political taint to it. In fact, cynics would say that the degree of toxicity attached to this project is rising by the week. The Red Hill Creek Expressway, you had to

fight very hard, you had to fight the Liberals to—who was going to get, “I love you,” “You know I do.” “I said it first,” “I love you too”—because this is project enough.

The reality is, don't talk to me about 407, 416 and the Red Hill Creek Expressway, talk to me about the Common Sense Revolution, and let me quote what it says.

Mr Bisson: What did it say?

Mr Pouliot: Well, it's quite simple: \$300 million less. So let's talk about capital. You're spending \$300 million less. It's like a shell game here, except that the government is controlling the game. You can't have it eight different ways. The Common Sense Revolution says that you will spend \$300 million less on road construction.

I want to talk about safety. You're on the hook there when the writs were issued, during the election campaign. And you adhere to this, and I believed you. You wish to make Ontario roads the safest in North America. You don't want anybody killed there, people that are injured, people whose life expectations are reduced by virtue of accidents, but you're on the hook when the writs are issued, because at the time, it's not all that popular.

Photo-radar: Now you're scheming, you're weaselling, using every device and every trick in the book to get a “semblant,” a facsimile of photo-radar right back, because you know that speed kills, you know that one out of every six fatalities is the result of an accident in speed, people going too fast. But you have dwindling resources. So you're putting your officers there, not enough of them, not as effective as photo-radar, and you're not getting nearly as much revenue.

When it comes to user fees or users pay, God knows, heaven knows, will attest that you are front-row centre, you're a member of the first brigade when it comes time to pick pockets. You have unsurpassed zeal.

How can safety not be jeopardized when you've cut the number of sanders? How can safety not suffer when you increase the kilometres for patrol? How can safety not be jeopardized when you're cutting staff? And when I ask, with respect, through the Speaker in the House during question period, I was told, “You can use your cell phone, you can always call the OPP,” those women and men in blue, and they'll come and help you and bail you out.

In the riding of Lake Nipigon, which is the largest geographical riding in the province—we have 26% of the overall land mass—the cell phone, well, it doesn't work there. Like I said in the House, on a clear day, once you get near Hudson Bay, you can almost see the earth's curvature. So you can have a cell phone—well, when my phone doesn't ring, it must be the minister calling. We thought that it was bravado and in bad taste. No sooner do we leave government, no sooner do I leave the ministry, than the wheels start falling off the ministry, almost literally.

Mr Rollins: We need a sleigh.

Mr Pouliot: This is a very serious matter.

Mr Bisson: We use sleighs on northern highways.

Mr Pouliot: Let it be a matter of record that some members of the government are making fun of highway safety. I don't make any fun regarding vis-à-vis highway safety.

Mr Kells: It's the way you present it.

Mr Pouliot: We're concerned about the brake problems on trucks. It's been a perennial, a residual problem that has been with us. I'm an avid reader, as you might know, Mr Chair. I read quite a range of publications, books and read the classics. I try to do so—in a few languages. I'm not one who subscribes to the *Now* magazine, though. That I can tell you, sir.

So this magazine here was handed to me. I see a picture of the Deputy Premier, Minister of Finance, Minister of Revenue and all the good deeds out there, a very important person, a buddy, a friend of the Premier. Well, he would be the one who would have the most say on truck insurance. That means this is a person of consequence. You hush when you talk in such company, and sometimes you could be granted the pleasure of an audience, if you're well connected, that is.

I see here, it goes on—I won't trouble you too, too much with it, because I know you too are concerned about safety—about potential conflict. It says, insurance risk, not public, etc. But the tab here is a great truth seeker, and it talks about family connection and it raises a question, and I'm not imputing motive. I know that everyone is treated the same, but those people like to dig, you see, and if you read something often enough, if you repeat it often enough, sometimes you believe it. So I would caution the minister regarding connections that could be made vis-à-vis truck safety, vis-à-vis vehicle rental, because there's always someone watching when you're in politics.

Public transportation: Miss Jones is 74 years old, Mr Minister. She has a small apartment—not rich, Miss Jones, she'll never show a profit, I can assure you. But like many people of that generation, she played an active part in handing us the standard of living that we have. She lives in dignity, a person of moderate means, lives alone, as is often the lot reserved for people that are that age. Her companion passed away some time back. And she has a sole source of companion, a little cat. So she goes home, in the privacy and comfort of her cubicle, if you wish, it's a very small apartment.

Twice a week, because she wants to be like you, sir, she wants to be like the others, she uses Wheel-Trans because she's physically challenged, she's a little frail, she's not as mobile as she used to be. What's going to happen to Miss Jones, my pal? Where's the human dimension where her very lifestyle is threatened, because she doesn't have the extra token in her purse and at your discretion, by decree, have started to kill her a little bit, in that context.

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I couldn't do it, sir. I could not do it. There are thresholds, but if it's for the mere sake of a buck, if it's for a fistful of dollars, if it's to satisfy the need and greed of an ideology, I guess Miss Jones will have to suffer a while longer. She doesn't speak very loud. She's not a powerful element, for she is not to be seen around the Boulevard Club and the Toronto Club, and she can't run as fast as the others. So I guess she will be left behind.

We have very good people at GO Transit. I understand that they too will have to find another notch. Traffic

congestion will not decrease; it will increase. Mr Colle would speak better than anyone regarding TTC and public transportation in Toronto. He has a better knowledge, a better feel than I have, for he has laboured with public transit and urban public transit in Metropolitan Toronto for many, many, many years. But my understanding is that they too are asked to take a hit.

Everyone that you touch takes a hit, because those are the marching orders. Lives will be lost. I'm not here to say that you wish to have this; it wouldn't be fair, it doesn't make sense. You don't have blood on your hands. But I'm just wondering when the capital dollars and the transfer payments to municipalities, to the client group, the stakeholders, is reduced and further reduced, what does it do. We have an investment. You've talked about just-in-time delivery. You've talked about the need to be more efficient, to be more competitive, the need to protect the infrastructure dollar, the capital dollars. It puts people to work. The multiplier is rewarding. It's there for all to see. I want to wish you success. I think you have a very challenging and a very full agenda ahead of you.

To the minister, through you, Mr Chairman, how many employees at the Ministry of Transportation?

Hon Mr Palladini: I believe we have—Mary Proc.

The Chair: Introduce yourself, Mary, and your title.

Ms Mary Proc: Hello. I'm Mary Proc, the assistant deputy minister for the corporate services division at the Ministry of Transportation. Our authorized staffing level is 8,452 full-time equivalents, FTEs. We are currently at 7,992 FTEs.

Mr Pouliot: Thank you. So 81,000 people in the civil service, or thereabouts, let's acquiesce; 67,000 belong to OPSEU, and 14,000 are non-unionized or they're management.

Mr Colle: That's 1,400?

Mr Pouliot: Out of 81,000, 67,000 belong to OPSEU.

Mr Bisson: He's talking about total public service.

Mr Pouliot: I need your help, Madam. You see, this here says 13,000. I read in the paper that it could go as high as 27,000. Could we split? Let's say 20,000, okay? So you're 8,400, but they're not all filled, so you've got a little cushion there, about 500, right? Plus the factor 80. So out of 81,000, that would be—one second, he's cutting 20,000. Let's say 16,000, that's 20%. Wow. Am I in the ballpark, 2,000 jobs?

Ms Proc: At Transportation?

Mr Pouliot: Yes, or is it 1,800?

Ms Proc: Everything will very much depend on the business plan and how it is accepted by this government and on the plans that the Treasurer announces in his upcoming budget.

Mr Pouliot: You see, people at the coffee machine, at the water fountain, they've got a mortgage. I know some like to go out, because it keeps them young, working with the public. They don't talk about pensions because it's the subject that's the least talked about but the most often thought about. Under Bill 26, under the decree bill, surely at this time—because at one time people are going to have been informed; there's a lot of anxiety—I would like to know, and it's my right as a member of this assembly, how many heads are on the chopping block.

You know, your deputy minister, and I think you still have six ADMs—those people are giving the marching orders because you get your marching orders. The Treasurer and the Premier are in bed, and you guys pull on the blanket. Then they come up and they say: "This is it. Go do it." So you go to this man there, George Davies, he's very able, and the other people who survived many nights of the long knives so far, and they come back and they say, "We're going to cut this staff or this staff." On the eve of tragedy, you should be able to tell me how many people are going. I'm not asking for an exact figure. No one will take you to task. Will you chop 1,500 jobs? Will you chop 2,000 jobs?

Hon Mr Palladini: Thank you very much for the question, Mr Pouliot. Basically, what I'm going to say to you is that our government, obviously, is committed to fiscal responsibility. We have to create efficiencies within government and look for every possibility of where we can save. Now, as far as the actual business plan is concerned, to answer your question on the number of jobs, we are in the process of looking at every possible way we can streamline MTO and become cost-efficient, and not at the cost of less service.

Mr Pouliot: Mr Minister, please, I really do need your help, because there's a lot of anxiety out there. You must know which sector will be impacted. Mr Davies would know that. He's very efficient, and that's his job. Where are you looking to cut? Is it going to be your communication department? Is it going to be at the regional level? You've been in power now for more than eight months. You want to slash and burn quickly, because politically it's wiser to do so in the first year. What will it be? I want to know, because people are asking me in my riding. It's a legitimate, concise question. Surely, if you have something, tell us.

Hon Mr Palladini: I appreciate the opportunity to be able to share with you as much information as I have. Basically, I have said that as far as what we are planning and doing is concerned, this government is committed to fiscal responsibility and coming up with efficiencies and a business plan that's going to be in the best interests of all Ontarians.

Mr Pouliot: When will we know?

Hon Mr Palladini: We are in the process of finalizing our business plan. I guess you will probably have an opportunity to ask me on it next year.

Mr Pouliot: Well, there won't be a shuffle on our part. I'll look forward to it. That's all I have for now. I'll have more questions as the estimates progress.

Mr Bisson: How much is your capital budget? How many passing lanes are you going to cut in northern Ontario? What happened to the cell phones? I'm going to try to put it all in three minutes. Let's just deal with one real easy one: capital budgets in northwest and north-eastern Ontario for highway construction and reconstruction, last year's levels compared to what you're foreseeing upcoming this year, less money?

Hon Mr Palladini: I appreciate the opportunity, and I wish that I could share with you an exact number, but we have not finalized those numbers. This government is committed to supporting the north. I can assure you every consideration is going to be taken to make sure that the support levels that are required will be there.

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Mr Bisson: I know that. I drive Highway 11 every week and I see the commitment. I know you can't give me a specific number because the guy at the corner office hasn't given you how big the cut yet, but is it the idea that you're going to reduce capital budgets in this upcoming fiscal year, both in northeastern and northwestern Ontario, for highway reconstruction and capital?

Hon Mr Palladini: It is this government's agenda to find every efficiency available to us. We will support the northern budget in the best way we can to make sure it's in the best interest of growth and safety and economic growth. The support levels will be there.

Mr Bisson: Get away from the spin; it's a very simple question. Will they stay at this year's level? Will they go down?

Hon Mr Palladini: We are in the process of taking a look at every opportunity and I do not have a number that I can share with you. I apologize but I do not have a number that I can give you.

Mr Bisson: I appreciate your apology, but our understanding, talking to field staff throughout northeastern and northwestern Ontario, is that one of the things that your ministry is looking at very seriously is reducing the overall budget for capital construction and capital reconstruction for highways in northeastern and northwestern Ontario. That concerns me, not only from the perspective of driving on highways, but it's going to cost the province a heck of a lot more money down the road if we allow that infrastructure to erode. So the question is a very simple one: Is the commitment of the government to at least keep those capital budgets at levels that they're at now, or close to? Or is what I'm hearing out in the field correct, that you're actually going to reduce those budgets? Try it again.

Hon Mr Palladini: First of all, I do agree with you as far as the infrastructure is concerned: If you don't spend the money when you're supposed to, in the end you could actually end up spending more. So every consideration will be given to making sure that we do have enough money in our budget for capital to protect our infrastructure.

The Chair: Thank you very much, Mr Bisson. Mr Minister, you have 30 minutes in which to respond.

Mr Bisson: You don't have to take it if you don't want to, Al. The more you say, the more we'll be after you. Always remember that. First rule of estimates: Say, "Thank you very much to my critics and I look forward to further questions."

Hon Mr Palladini: Thank you very much. First of all, I basically would like to once again outline our government's stand and responsibility as far as Wheel-Trans is concerned. I know it's been brought up again here today. Clearly it was never the intent of the Harris government to cut Wheel-Trans. This was something that was done by the TTC, against my urging to not do that. I asked them on numerous occasions to cut the conventional budget rather than the disabled transit budget, but they chose to ignore my advice and proceeded to cut Wheel-Trans in lieu of conventional transit. However, I made sure that the same thing was not going to happen with this year's budget. We made it very clear. We segregated the two

budgets to do exactly that, protect Wheel-Trans so it wouldn't be touched. The budget for this fiscal year is going to be exactly the same as last year, so Wheel-Trans is not going to be affected in any way.

I know what the Common Sense Revolution says and what it was meant to do, but I want to just share one thing with everyone here. Mr Pouliot, if deficits created jobs, we would not have one single person unemployed. Unfortunately, that's not the way it works; deficits are counterproductive. They end up losing jobs and losing investment. So this government's responsibility was to balance the budget, and the only way that can be done—or one of the only ways, because there are other increments that will play some part of a role—is to balance the budget, to get our spending cuts and stop spending money that we don't have, continuously spending it on programs that we could not support.

This government had the strength to make the tough decisions. Again, I'm very proud to be part of a government that's taken on that responsibility and been able to say no when there was really a sore spot and it hurt to actually say no. I want to say that the last government and the government previous to that, I would maybe add, were not necessarily good teaching parents. I believe the last two governments thought they were good parents, but in many ways they were not. I just want to share this analogy of my thoughts. These are my personal thoughts.

A child comes home and he says to his parent, "Ma, I want a new bicycle." The mother tells the father, "Why don't you get Randy a new bicycle?" So they go out and they buy Randy a bicycle. The next day, "I want a new television set," and the parents keep giving this child whatever he asks for. I believe that's exactly what these last two governments have done. They've given the children of Ontario—whatever their children asked, these two governments gave. That in itself does not necessarily make you a good parent, by giving all the time. A good parent will teach. A good parent is going to come up with ways to make sure that their children know exactly the meaning of a dollar and how much hard work it takes to earn that dollar before they spend it. So, Mr Pouliot, the last government was not necessarily a good parent.

Mr Pouliot: If I wish to be a good parent, I know where to go.

The Chair: The minister has the floor. Let him complete his response, will you.

Hon Mr Palladini: We are committed to fiscal responsibility, and, yes, I do believe that this government is trying to be a good parent and is trying to support the necessities and the priorities that are needed. Tough decisions have to be made on both sides. I think the government has to make the tough decisions, but I also feel that the people of Ontario have voted on that and they want us to make those tough decisions and they are with us. They are behind us and they understand that these decisions have to be made before we lose everything. Why keep supporting spending money and supporting programs that we clearly cannot afford at the expense of losing everything, of losing health care, of losing education? Tough choices were made, and I'm proud to be part of a government that's looking out for the future of our children and their children.

The safety commitment MTO has to the people of Ontario in regard to our highways I'm very proud to be affiliated with, and I certainly would like to share the sentiments Mr Pouliot said earlier about our staff. We do have a tremendous staff, a dedicated and committed staff, and I'm very proud to be associated with them. I look forward to a long relationship and to see how best we can deliver the services to the people of Ontario. This minister and this government are committed to road safety. Make no bones about that. We are going to do whatever it takes to make sure our highways are safe.

I believe we have over 200 inspectors in the province, and we are in the process of hiring an additional 20. I don't know the exact number, but I believe it brings it to around 230 to 240 people. That is clearly a much stronger commitment than the last government—not that it wasn't committed, but certainly the last government did not have as many people committed to road safety as this government is taking on.

There are some changes. Ladies and gentlemen, one thing I'm going to say, coming out of the private sector, is that I wish that some things in government could work as quickly and as swiftly as the private sector does. To implement certain changes, unfortunately it takes a little longer than I would have thought. My colleagues over here also understand that things do not change just at the snap of the finger. There are a lot of things that have to take place before we can implement the changes.

The key is you've got a government that's definitely committed to road safety. The things that were recommended in the Worona-Tyrrell inquest are things we are looking at. There isn't one item on that list that we're not considering, and I believe we have initiated some of these items. We are in the process of initiating others within the next couple of months. But overall, we are going to be initiating many of these things over the next 12 months. I wish we could do things in a hurry, but we cannot. We have to make sure legislation is in place.

1500

My critic here, Mr Colle—one of his favourite topics is fines. I wish he would understand that I'm on his side. I wish we could increase the fines to the point where it would certainly make him satisfied and me happy at the same time, but fines alone are not the only detriment thing that we need to get people to pay attention to safety. Have I used up my time?

The Chair: You've got lots of time, Minister.

Mr Colle: Stop while you're ahead.

Hon Mr Palladini: Clearly, when it comes to fines, they will prove to be a deterrent. But there are other things that must be done for us to turn this thing around in terms of road safety.

I believe the approach we have taken is a very good approach, because we want to be involved with the trucking associations, we want to continue to be involved with the OPP, and input has to be given at every possible level. Just increasing the fines doesn't necessarily mean you're going to solve the problem.

I believe the education aspect is also a very important one, and this is something we started with the Minister of Education, to see how we could end up training truck drivers to adjust their own brakes. Coming out of that

field, I know the importance of being able to perform that service. Let me just share this with you: Who else would know when a brake is not functioning the way it should, other than the truck driver? The mere fact that he will be able to pull over to the side of the road and adjust that brake in itself is going to save many lives, just being able to pull over and do the brake adjustment himself. That's something we've implemented. It is in the process of working.

Sometimes things don't happen as quickly as you and I would like, and I can certainly appreciate that, but that doesn't mean we are not committed. It doesn't mean the things we are talking about are not going to materialize. That's not the case. Every recommendation in that Worona report is going to be looked at. We are going to consider every one of those things and how best and how quickly we can implement them.

Having said that, I would like Rudi to share with us some of the things, so my colleagues here know exactly what it is we are implementing, and the timing you could possibly share with us.

Mr Wycliffe: Thank you, Minister. What I intend doing, if this is what you wanted, Minister, is to go through the road safety plan and highlight the initiatives that relate to trucking, and then comment on the 31 recommendations in the inquest and indicate what the ministry is doing about each of those recommendations.

The plans for action on road safety respond to three questions: What are our priorities? What can we do right away? What will it take over the long term? Because road safety is a complex field, the issues and options are as diverse as the province's seven million drivers. To identify priorities, we looked at trends, public concerns and detailed road safety research.

Some key points make the priorities very clear. In Ontario, excessive speed and loss of control are the major driver errors that lead to collisions. Failing to yield the right of way and following too closely also contribute to more than 600 collisions that occur each day. Most recent studies show that 42% of all the drivers killed on our roads had been drinking.

Police presence has a dramatic positive effect on driver behaviour. Evidence shows that drivers don't fear penalties for dangerous driving habits until they see proof that they can and will be charged. That's why enforcement units must be highly visible.

While only 7% of vehicles involved in fatal collisions in Ontario are tractor-trailers or other large trucks, safety checks of commercial vehicles throughout the province show that many vehicles do not meet safety standards. Truck crashes are usually more serious because of the size of the vehicles involved. At the same time, public anxiety about the safety of trucks is high.

In terms of the road safety plan, improving truck safety is among the highest priorities. The minister has already mentioned the carrier safety rating project, which is well under implementation. Information about the safety records of trucking companies will be available to anybody thinking about doing business with them. The information will be based on both a company's safety performance on the road and its overall corporate safety policies and practices. A rating of satisfactory, condi-

tional, or unsatisfactory will help identify the companies with good safety records and those that need to improve.

One of the other major truck safety initiatives deals with enforcing weight laws. Since 1986 Ontario's weight laws limiting the axle weight of trucks carrying gravel have not been enforced. All the laws are now in place. The industry has had time to adjust to the limits and must be called upon to obey them. To protect our roads and ensure that higher safety standards are met, truckers and shippers will be charged if loads exceed the limits. Full enforcement is scheduled to begin on July 1, 1996.

The minister already mentioned air brake training for truck drivers. Until now in Ontario, only a licensed mechanic could legally do anything about air brake adjustment. Often, that meant a truck would continue to travel with air brakes that weren't adjusted and working properly. A new training program will give drivers the skills they need to adjust their brakes themselves, in many cases. As the minister pointed out, it's essential that the training is adequate and the testing is adequate to make sure that the drivers are in fact adjusting the brakes properly and not creating a bigger problem than they are trying to solve.

There's been a lot of discussion already about increased penalties for safety offences. Under the law, truck drivers are responsible for doing a proper safety inspection before their first trip of the day and making sure their trucks remain in good condition. Owners must set up a regular system of maintenance. Drivers and operators face fines of between \$100 and \$2,000 the first time they are convicted of breaking safety laws, and jail terms of up to six months if they are convicted more than once.

The ministry is reviewing those fines, with very definite plans to increase them, particularly for second offences and beyond. The ministry is also looking at whether demerit points can be assigned to the driving licences of truckers who break safety laws.

The ministry is also undertaking a thorough review of the way truck drivers earn their classified driver's licence. We want to make sure that truck drivers understand all the safety requirements and laws they're supposed to follow. This would include the possibility of a graduated licensing system extended to truck and bus drivers to ensure that less experienced truckers are not driving vehicles that require the most skills. I'll talk a little more in a few minutes, but the province is working right now with the trucking industry to explore options for training and licensing of truck wheel installers. This was the primary recommendation of the Worona-Tyrrell inquest that I mentioned earlier, and I'll comment on this recommendation and others in a few minutes. The government will also look at incorporating any recommendations, as I will go on to say, arising from that inquest.

One of the other safety recommendations already in place is the automated monitoring of trucks, a program that we call Avion, which is an acronym for Automated Vehicle Identification Ontario. It is an electronic monitoring system linked to the I-75 interstate system that runs from south Florida all the way through to Detroit. We're linked into their database and their monitoring system, which promotes safe, efficient trucking by rewarding good truckers with fewer inspection stops and allows us

to focus our enforcement officers and our resources at our truck inspection stations on the less safe trucking operations, the ones we need to concentrate on the most.

1510

I've already mentioned the primary recommendation of the Worona-Tyrrell inquest from the coroner's jury, and that was mandatory training and certification programs for individuals involved in tire and wheel installation. That recommendation is being worked on very actively by the Ministry of Transportation, the Ministry of Education and Training, specifically the Ontario Training and Adjustment Board, OTAB. The Ontario Trucking Association has developed a training proposal, and the ATSSA, which I believe stands for the allied technical services association, is implementing, with the cooperation of the Ministry of Transportation, later this month a training and awareness program across Ontario to make sure that trucking operations and garage operations are aware of the need to follow manufacturers' recommended procedures in terms of removing, inspecting and installing wheels on trucks and heavy-duty vehicles.

We're working with the Ministry of Education and Training and OTAB, as I said, and with the key input of the industry—the Ontario Trucking Association, the repair industry and many of the other stakeholders—we expect to have later this year regulations that will prescribe the training requirements for those involved in tire and wheel installation in heavy-duty vehicles in Ontario.

We will also be working with jurisdictions across North America, because as this committee well knows, the problems are not limited to trucks operated exclusively or even operated by Ontario-based business or even maintained or inspected within Ontario. We have to work with the other jurisdictions across Canada and across North America to make sure that if Ontario puts in a requirement we can expect similar treatment from those jurisdictions in terms of how they take care in the wheel installation industry. We will certainly be—as we are doing at the present time, the Ministry of Transportation along with the Ontario Provincial Police—very aggressive in the enforcement area. Obviously, the solution rests in doing proper wheel and tire installation, and that is the knowledge, awareness and the use of the proper techniques, tools and materials in adequate condition in order for those wheels not to come off at the rate they've been coming off over the last year.

The second recommendation in the coroner's inquest deals with licensed class A mechanics, and trailer mechanics must be required to upgrade their skills and be certified if they install heavy truck wheels. The training proposals under OTAB will include training for mechanics as well as training for wheel installers. Wheel installers are presently a non-regulated trade in the province.

The third recommendation deals with the fact that prosecutors and the judiciary should be educated on the consequences of mechanical and load infractions endangering public safety and fraudulent use of annual inspection certificates. We are dealing with our legal people within the ministry, the Attorney General's staff, to seek appropriate fashions to undertake a judicial outreach program, to make sure the courts understand the severity

of the charges we're laying and the consequences of the unsafe vehicle conditions that we're finding at the side of the road.

The fourth recommendation is as follows: Invoices or work orders for work requiring the removal of truck trailer wheels should state the torque at installation using a torque method approved by the manufacturer and the need to retorquer. Following installation, according to manufacturers' specifications, wheels should be tagged by an approved system which includes the appropriate retorquer specification to ensure that retorquing is performed within the mileage specified.

We're proposing to amend the inspection maintenance regulations under the Highway Traffic Act pertaining to commercial vehicles to include torquing and retorquing requirements. As I noted earlier, we're already dealing with the technical trades associations of the trucking industry and the repair industry to get the message out.

It was fairly obvious in early 1995, through most of 1995 in fact, that many people in the industry did not commonly use torque wrenches for the installation of truck wheels and did not follow the recommended practices of the manufacturers of wheels and wheel securement components. This came out very strongly in the coroner's inquest in October 1995.

The fifth recommendation is as follows: The qualified mechanic should be required to red-tag trucks and trailers which have defects which might present a risk to public safety. Safety defects should be annotated on the work order, invoice and the annual inspection certification. There are some questions of legal implications of this requirement. Basically, any mechanics who presently do not follow that procedure, if not exactly red-tagging but at least refusing to issue an annual safety inspection certificate on a truck—if they fraudulently do certify that truck as safe, based on the ministry's annual safety inspection requirements, they can and are prosecuted. We lay charges in our enforcement program to deter and discourage that kind of practice.

Hon Mr Palladini: Would you wrap up, Rudi? How many more do you have to go through?

Mr Wycliffe: I'm only at recommendation 6.

The Chair: I could give a recess until 3:30, but if you want to continue, that's fine with me.

Mr Wycliffe: If you want me to summarize things quickly, I can do that in two or three minutes.

Hon Mr Palladini: Yes. Would you summarize?

Mr Wycliffe: There are a number of recommendations in the coroner's inquest that pertain to the training and licensing of truck drivers. The minister has already indicated, and the road safety plan already indicates, that it's one of the priority areas where we are looking at the whole question of the credentials of truck drivers, their testing by the ministry and the possibility of graduated licensing. I mentioned it before.

The coroner's jury: Again the link with the road safety plan talks to the possibility of expanding the demerit point system which is now applicable to drivers for moving violations—speeding, failing to stop etc.—to some of the safety code violations that exist in Ontario's law under the Highway Traffic Act. That would include the possibility of demerit points for failing to do a pre-trip

inspection, operating an unsafe vehicle, operating an overloaded vehicle, operating beyond the hours of service stipulated under the act etc.

The coroner's jury makes recommendations on the ministry reviewing its safety performance monitoring system of trucking and busing operations that we call our CVOR, our commercial vehicle operators registration program. We are following that recommendation and looking very seriously at a timely ability to monitor and, as appropriate under the powers of the act, to sanction those carriers.

Fines we've talked about at length; the inspection standards; axle weights. I think much of the rest of the recommendations have been covered already.

The Chair: Thank you very much.

Hon Mr Palladini: May I, Mr Chairman? I'll be 30 seconds. First, I certainly understand where my opposition critics show concern on road safety, and I basically concur. I appreciate your interest and concerns, and I look forward to working together to best see how we can get some things implemented. Some of the initiatives we are going to be initiating that will need legislation—I encourage you to support the legislation so we can quickly expedite and get some of these things implemented. As far as road safety is concerned, you've got my commitment and this government's commitment, because I know we're on the same side.

The Chair: We'll take a recess until 3:30.

The committee recessed from 1520 to 1532.

The Chair: You have 30 minutes, Mr Colle, if you wish to begin.

Mr Colle: Thank you. In terms of the minister's comments about the former government being bad parents who were always acquiescing to a child's request for bicycles and that this government is a good parent, perhaps we should remind the minister that it's not a case of children asking for bicycles. This is a case of children asking for basic food.

There are children in my community who are going to school in the morning without breakfast and without lunch because of the fact that your government arbitrarily cut them 22%. When you cut welfare and social assistance, you basically cut these children. It's not about bicycles. These children are asking for basic necessities, and to put it off as children asking for luxuries is trivializing the very serious situation we have throughout Ontario. People are asking, not for bicycles but for jobs. They're asking for dignity. They're asking for basic, good housing. These people freezing to death on our streets are people reaching out for help, whether it be medical help or housing. They're not asking for bicycles, and that's one thing I want to put on the record.

Just before I get into public transportation, as you know, there is a review of the insurance scheme in Ontario, and one of the recommendations is to amend the area of tort whereby there will be the right for individuals to sue for economic loss. At present, if you're a victim of an accident as a result of a flying truck tire or a commercial vehicle, you can't sue for economic loss. Are you going to support the change in legislation which will allow for injured parties to sue for economic loss if they're victimized by unsafe trucks, for instance?

Hon Mr Palladini: You'd like me to address your question on the insurance?

Mr Colle: Yes.

Hon Mr Palladini: Before I do that, Mr Colle, I'd say to you that you seem to always come up with the most fearsome things in relation to some of the comments I say. As to being bad parents, it's very easy for you to say that this government is going to begrudge children food and people who need housing or clothing or money to basically survive. On the contrary, my remarks I believe were fairly adequate in saying what I said to the point that it's because of the moneys that were spent in areas where clearly they should not have been spent that in fact deprived children and people in need, in not having the money to actually support the people who truly need that help and support.

This is what a Harris government is all about: making sure that for those who need help, we are going to be able to give it to them. The previous two governments spent far more than they should have in areas where they shouldn't. Doing that deprived the people who needed the help from getting the help.

As to Bill 164, Mr Sampson is in the process of restructuring and coming up with a better and more efficient way so that everyone who is hurt through an accident might have a process of going to court to recoup their losses. We are working on that, and we should have legislation ready in due time.

Mr Colle: This is one of the recommendations, recommendation 24 in the Worona-Tyrrell inquest. They thought one way of encouraging trucking companies to take the responsibility much more seriously, to get them to comply to safety standards—this would be a deterrent, in fact—would be if you were to amend Bill 164 and include this right to sue for economic loss. As Minister of Transportation, in light of this recommendation, are you going to support the right to sue commercial vehicles and companies for economic loss?

Hon Mr Palladini: I believe we are in the process of seeing how that can be implemented, but I would certainly refer that to the Minister of Finance to see how quickly that can be done. I do support that.

Mr Colle: So you support restoring the right to sue for economic loss of commercial—

Hon Mr Palladini: Yes, I do.

Mr Colle: Good.

Another area. I was not really surprised, but certainly it's very glaring that in your statement, Minister, there's not one word or comment about transit or public transportation. I'm just wondering whether your ministry has any kind of vision, any kind of plan. You talk about the cost of congestion, and 407's supposed to help cure that, but you must understand that one of the major ways to reduce congestion on Ontario roads, especially in an urban setting, is by investing in public transportation.

I see no reference here to what you're going to do to encourage more people on our commuter rail, that is, GO Transit. GO is not mentioned here at all. I see no reference to your government's commitment to improving urban public transportation in terms of making it more efficient, making it more cost-effective, introducing new ideas.

All I see are your references to highways 407 and 416 etc. That's fine, but I'm sure your ministry must spend a good portion of its budget on public transportation, yet in your vision in terms of what you see in the year ahead, there's not a word or an idea about public transportation. In fact, you're committed to spending \$1 billion on building the Sheppard subway, for instance, but there's no mention of that as part of your transportation plan.

Why is there no indication of your commitment to public transportation in this speech? What effects will the cuts you've made or will make have on the modal split, on congestion, and on the future of public transportation?

Hon Mr Palladini: I would like to give you my personal commitment to a balanced transportation system in Ontario. It is also my government's commitment to making sure there is a balanced transportation system available for all Ontarians. We are going to continue to work towards that and definitely develop a vision as to how we can implement improvements within the public transportation system, and we are in the process of taking a look at how best we can deliver those services. As to whether it's going to be a subway or whether it's going to be a bus line or whether it's going to be a highway, I think it is imperative that our province not only has a balanced transportation system to serve the people who use public transit, but also has highways to be able to serve the economic growth and the necessity that highways do have on bringing economic growth.

1540

Mr Colle: I'm still waiting for the answer. What is your vision or what initiatives, what program do you have to ensure that public transportation remains viable? What are your plans for GO? What are your plans for the future of intercity transportation? Cities across Ontario, because of your cuts, have been forced to increase fares. How are you going to offset the negative impact of that on the modal split? What is part of the plan or direction you're going in in public transportation?

Hon Mr Palladini: We see GO playing a very major part in the future transportation services that it can and will bring to the people of Ontario. GO is a major part of the future of integration.

As for transportation being affordable, I really want to say that there are some inequities that might not be just strictly involving pricing. I mean pricing here, we say we want service and we want transportation services or public transit, but it has to be affordable. It remains to be seen how affordability is accounted.

First of all, we have to get our house in order. We have to get our administration costs in order, and I think that in itself makes a direct relevancy to the cost being affordable. I think we all have a duty to perform and certainly this government is going to make sure that initiatives are begun to see how quickly we can have an integrated transit system, an affordable system that also gives the service as well.

Mr Colle: But, all across Ontario, as I said, people are finding public transportation less affordable; therefore you're losing ridership and you're losing revenue. So your actions have made it less affordable. I'm asking you what way you're going to use to counter that.

Hon Mr Palladini: It remains to be seen when you're using the excuse that people do not take public transit strictly because it's expensive. I think there are other elements that possibly make a contribution. One of the things we have to take a look at is delivering that transportation system. This is what this government is committed to doing. If it isn't affordable right now, there are reasons why it isn't affordable and, as a government that has been in power for eight months, you cannot expect us to have all the answers. We are looking to see how quickly we can adapt and come up with answers and savings so we can make transportation affordable.

Mr Colle: I'm sure your experts, your deputy ministers are aware of the direct relationship between higher bus fares, for instance, and ridership, that there's a direct correlation.

Mr Pouliot: But they're chauffeur-driven.

Mr Colle: Therefore, how are you going to stop this dropoff in ridership as these fares go up?

Hon Mr Palladini: I wish I could give you an answer on how we're going to stop it.

Mr Bisson: He can tell you how to start it, not how to stop it.

Mr Pouliot: You've got to use it yourself, Al, the services.

The Chair: Let the minister answer.

Hon Mr Palladini: I appreciate all the advice. But to assume that the Harris government is responsible for the situation that we find ourselves in regard to public transit is totally absurd. Ridership decrease started over 10 years ago, so maybe your government should have started back in 1985 to see how it could implement the changes and possibly my good colleague over there's government should have been doing the same thing.

This is what a Harris government is committed to. It's committed to coming up with a balanced transportation system that's affordable for all the people of Ontario, not just the GTA. This is the goal we have, and we would like to see an integrated transit system under a new governance that will be developed within the next few months. We will deliver a much, much more balanced public transportation system than this province has ever had in the past.

Mr Colle: At least the past governments did make a conscious investment, and the exponential increase in investment in public transit is quite obvious. Your government has drawn away from that and gone to more of a user-pay system with decreased subsidies. For the first time in 10 years, as soon as you got into office, you reduced subsidies to specialized transit for the disabled. Your government is now reducing that kind of support for public transit and it's resulting in higher fares. In Kitchener, in Hamilton, in Sault Ste Marie, all over the GTA, all over Ontario you've got higher bus fares. Minister, all other factors aside, what is one thing you can do to counter that movement away from transit because of the higher cost?

Hon Mr Palladini: I totally disagree with your analogy that this government has made a direct contribution to higher transit costs across the province of Ontario. I believe that this situation has been evolving for longer, well before this government formed the government. I

just totally disagree that you're putting the blame on us. I believe this government has told the municipalities: "You are not operating in a cost-efficient way. We would encourage you to come up with savings that can be reinvested back into the transportation system."

If you would like some very good specifics, which I don't happen to have on me, I'd be very happy to turn it over to either Carl or David Guscott to share some of the strategies and what this government is looking forward to doing.

Mr Colle: Before I get back to the bureaucrats, I just want to ask you a few more questions in terms of your policy directions. In terms of GO Transit, as you know, one of the things you're committed to is deregulating intercity buses. You're going to do that, I guess, come April, because the Ontario Highway Transport Board is gone. How is GO Transit going to survive if you've got these deregulated, privately owned buses running routes parallel to GO Transit bus routes?

Hon Mr Palladini: Here we go. People expect government to do everything for them, yet the moment the government wants to start turning things back in order for a business to prosper, we seem to have to rely on government and tell them why you can't deregulate. We have a lot of regulation. Here is clearly an opportunity that bus deregulation is not only going to be good for the industry but will actually be excellent for the province of Ontario.

Bus deregulation, number one, it's not going to be done just like snapping fingers. We're talking about January 1998. We're also talking about doing it in a very orderly fashion. We're not just going to deregulate. Contrary to what you're assuming about bus deregulation, that we are going to have less service for the people of Ontario, that's not true, because under regulation over 400 municipalities in this province lost busing services in the last 10 years.

Mr Colle: The question is, in April this year I think the highway transport board is gone, right? They regulate bus routes and busing in Ontario, do they not? Once that goes in April, who's going to do the regulation? You say you're not going to do it until 1998, so what happens between April 1996 to 1998?

Hon Mr Palladini: Yes, the highway transport board as it stands will cease to exist as of April 1996, but we are in the process of putting a commission together which is going to oversee until full deregulation takes place, so we are not just going to let things drop. Like I said, it's going to be done in a very orderly fashion. January 1998 is when deregulation begins, but up until that point we will do it in a very orderly fashion.

Mr Colle: So you're going to replace the highway transport board with—what's this commission going to be called?

Hon Mr Palladini: We don't know exactly what we're going to call it, but certainly we're going to come up with a responsibility, which is more important than what we call it. As far as how many people we're actually going to have on it, we haven't made that decision, or who it's going to be, but David Guscott will be more than happy to give you a little bit more information, more detail than I can.

1550

Mr Colle: I just want to get back to GO Transit again here. When you've got these buses that are independent running, competing with GO routes, obviously it's going to have an impact on GO. Are you saying that GO is going to be viable in competing side by side with privately run bus routes, on the same routes, which are basically their bread-and-butter feeder routes into the main system?

Hon Mr Palladini: I'm going to tell you something. If you can't stand the heat, get out of the kitchen. If you can't be competitive, then you shouldn't be in business. The people of Ontario have been supporting businesses, government has been supporting businesses that clearly should not have been in business. I am not saying that GO is not going to be viable. On the contrary, I have a lot of confidence in GO and I think it's going to be around and it's going to become stronger than it is today. But we cannot keep subsidizing businesses that do not want to run efficiently.

Mr Colle: How are you going to strengthen GO?

Hon Mr Palladini: We are going to strengthen GO, number one, by making sure its operation is streamlined and also by making sure that the routes we are presently on are going to be profitable or viable. We're going to take a look at how we can expand GO Transit in other areas. We have railways abandoning lines presently and there's nothing being done with them. Maybe there are ways we can implement some of these abandonments and turn them into lines that we can utilize and expand services, not only in the GTA but beyond the GTA.

Mr Colle: But you've announced all the cutbacks that this government announced. I mean, they announced expansion programs and you pulled them all back. Are you going to go ahead and expand them again?

Hon Mr Palladini: This government is committed to giving the people of Ontario the best possible balanced transportation system and also to becoming a very fiscally responsible government. We are going to govern by spending money on a priority basis. That's the way this government is going to be spending money. We will address the needs as they come up and how we can prioritize them and what needs are going to develop.

Mr Colle: No, you said you were going to expand GO but the first thing you did when you became minister is you cut out of the budget the expansion of GO that this government was committed to when they were in office.

Hon Mr Palladini: We don't have the money. You can't keep spending money that you don't have.

Mr Colle: So where are you going to get the money to expand now?

Hon Mr Palladini: This is today, but we do have a vision. We do have a plan that can be implemented once the funds are there, that we can substantiate spending that money.

Mr Colle: Where are you going to get the money now for this expansion? You're saying you didn't have the money, and that's why you cut it out. Now you have faith that the money's going to come along to expand GO again. Where will you get this money to expand a program that you say you're going to expand?

Hon Mr Palladini: Let me just say that I certainly have a lot more faith in this government than I had in the

last two. If there is an opportunity for eventual growth, this government is going to explore it and is going to come up with innovative ways of how we can deliver those services. Possibly privatizing GO could be an opportunity for some smart business person out there who can see an opportunity in how GO can be privatized and actually be self-sufficient without support of tax dollars from the government. That's what I can see down the future.

Mr Colle: There's no problem with selling off Ontario's GO Transit to the private sector if you feel that's to your government's bottom-line interest.

Hon Mr Palladini: This government has a responsibility to all Ontarians. We are not going to sell our assets just for the sake of selling our assets. But you cannot expect all taxpayers of this province to subsidize a business that's not viable. This is the key. We want a business that's going to be viable and deliver the services in a cost-efficient way. If the private sector can do it better and cheaper, then yes, the private sector's going to deliver those services, not businesses that are going to be continually subsidized with government money, taxpayers' money, Ontarians' money.

Mr Colle: Why not put GO up for sale right now, if you don't believe in subsidizing business?

Hon Mr Palladini: Because we have not given up on GO as a viable asset. We feel very strongly that GO can develop a much better monetary possibility and we haven't given up on it. We're going to look for ways that we can become more efficient in operation and be viable in giving the people the service we feel it can.

Mr Colle: As you know, over the last five years, GO has been streamlining, GO has been making itself more efficient, GO has been raising its fares, GO has been laying people off. What else should they do to become more efficient? What have they been doing wrong in terms of their streamlining they've been going through for the last five years?

Hon Mr Palladini: Maybe we can do a better job in marketing GO; maybe we can do a better job in marketing GO passes; maybe we have to come up with innovative ways that we can encourage people to take public transit. There are opportunities, clearly, that we can pursue in trying to alter, but we just can't keep subsidizing 75%. This is where it has to end. There just isn't enough money to keep doing things in the same old way. We have to come up with better ways, and I believe that we are going to come up with those better ways.

Mr Colle: But I asked you, how do you make them more efficient, not about attracting more ridership through marketing, which is very difficult when you're cutting back their budget. What things should they do to make themselves more efficient as an organization and to deliver a product more effectively and more responsibly? Never mind the marketing.

Hon Mr Palladini: I believe I gave you some of my suggestions, and one thing that's very clear, you want me to give you answers that I don't have. All I can share with you is the information and the ideas and some of the concepts I do have. I believe that I've done that, and I'm trying to do that in the best possible way, but it isn't doom and gloom. That's not what I'm saying. I'm saying

that we have to accept the responsibility of making an attempt at making things better. This is what this government is committed to do: trying to make things better. We don't have all the answers, and we are not going to solve all the problems.

Mr Colle: Just to switch from GO to the transit situation in Toronto, one of the first things you did as minister also was you arbitrarily cut the construction of the Eglinton subway project. What analysis and what studies did you do to help you come to that decision? I know you decided to keep Sheppard going and that's laudable, but what was the difference between looking at keeping a Sheppard and cutting an Eglinton and what were the factors that went into that, in terms of ridership figures, in terms of cost, in terms of the overall transit plan for the GTA? Why does Sheppard make more sense as part of the overall transit plan of the GTA than an Eglinton, that hooks up to an airport, where Sheppard basically ends up—where does it end up? I'm not sure. Anyway, why did you keep Sheppard going and not Eglinton?

Hon Mr Palladini: I'll tell you what. Thank you for the question. What I can give you is the short answer, but then, as far as the long answer with the numbers you want to relate to, I can get David Guscott.

That was a TTC priority. They're the ones who called the shot. It wasn't us.

Mr Bisson: TTC?

Hon Mr Palladini: They called it.

Mr Colle: Who at the TTC, or what report—

Hon Mr Palladini: That was the call made by Metro, not this government.

Mr Colle: No, no, no, wait a minute now. Where's Metro's position on paper that it supported Sheppard over Eglinton? That was the position maybe back in 1972.

Hon Mr Palladini: That was a position that I have seen remarks made by I believe some people on council, present council, and we basically concurred with what they decided. They wanted Sheppard as a priority over Eglinton, and we chose to go along with their priority.

Mr Colle: I'm not talking about remarks made by a councillor. If you're going to make a billion-dollar decision, you're going to spend a billion dollars on Sheppard, you made that decision on a few remarks made by councillors? Where's the report? Where's the analysis that said that Sheppard made more sense than Eglinton or that Sheppard was a worthwhile \$1-billion investment?

Hon Mr Palladini: I have my own version, but I'm not going to share that with you; it is my own version.

Mr Colle: That's astonishing. A few councillors' remarks, they made the decision. I guess one of them was Lastman, was it?

1600

Hon Mr Palladini: Okay. I believe I've just been given the remarks that were said, and I believe, Mr Colle, it was your government, Let's Move report, 1985, that showed Sheppard a number one priority and Eglinton a number four. So it was your government that initiated I guess the scaling or rating of what is a priority, and basically Metro agreed with your government and we agreed with Metro.

Mr Colle: That was 1985. There were maybe 15 subsequent reports that looked at the analysis of the

different subways, Mr Minister, and if you were to read the reports, they would let you know that there was no preference in terms of Sheppard or Eglinton or the York University line, that Metro took the position that basically, as your deputy ministers took the position, all four lines were viable and Metro's very specific strategy was to invest in all four, and never did Metro say that Sheppard or Eglinton or the York University was a preference. So if you state something that goes back to 1985, that was an original proposal by the Liberal government which talked about a plan, and that plan went through 10 years of changes. To go back to 1985 for the reason why you cut Eglinton to save Sheppard doesn't hold water, Mr Minister.

Hon Mr Palladini: Mr Colle, I don't have anything in writing that I can show you that we based our decision on what Metro prefers, so you'll just have to take my word for it presently, but there are some other details that we might be able to share with you, if you would allow Mr Guscott to speak on it. One of the people who spoke as far as deciding which one is a priority, Mr Christie is one of those people who made that comment.

Mr Colle: So he was one of the councillors—

Hon Mr Palladini: He was one of the people who made that—

Mr Colle: But, Mr Minister—

The Chair: Mr Colle, one second.

Mr Colle: —this is a \$1-billion decision. Wouldn't you want to see some analysis?

The Chair: Mr Colle, your time is up and I would ask that the NDP proceed to their 30 minutes.

Mr Pouliot: Mr Minister, I think I heard you say that you would wish to have a GO system make money or break even? In a broadly summarized form, what's your exact position vis-à-vis GO Transit?

Hon Mr Palladini: I'm sorry, Mr Pouliot, I wasn't paying attention to your question. My apologies.

Mr Pouliot: No problem.

Hon Mr Palladini: Would you mind repeating it?

Mr Pouliot: Not at all. You've mentioned that you would prefer to see GO Transit at least break even or make money. Is that right?

Hon Mr Palladini: I think I might have said something along those lines, but really what I did say afterwards is that it has to be viable and I believe that's the word I would like to put on the record, that I believe any operation has to be viable.

Mr Pouliot: "Viable," in my dictionary, Webster or Oxford, of synonyms says that they have to at least break even. Do you have any plans for this to happen?

Hon Mr Palladini: Do I have any present plans of privatizing? Is that what you're asking? I'm sorry.

Mr Pouliot: No. To make GO "viable," have it break even, have it live with delivering the service without subsidies, do you have any plans?

Hon Mr Palladini: I believe there are opportunities that we can explore, yes. We do have some initiatives we are going to take a look at to see how we could explore and make them beneficial.

Mr Pouliot: You're quite familiar with the intricacies, with the workings of GO Transit, for the province is responsible, so you're responsible, for the running of GO Transit. Is that right? Okay. I see your counsel nodding.

Hon Mr Palladini: To some degree, I guess.

Mr Pouliot: I can certainly share that.

What is the percentage of revenue emanating, coming from, the fare box?

Hon Mr Palladini: Frances Chung, would you please come forward. Maybe you could help this young man here, Frances.

Mr Bisson: Thank you, father.

Ms Frances Chung: My name's Frances Chung and I'm the director of finance with GO Transit. The question regarding the proportion of revenue coming from the fare box is 65%.

Mr Pouliot: You need money to operate, so for every dollar that gets in, there's a 35-cent deficit, right?

Ms Chung: Yes, on the operating side.

Mr Pouliot: How much money is that? How much money is spent on operation of GO Transit in total?

Ms Chung: Are you interested in our operating subsidy or the operating budget?

Mr Pouliot: How much does it cost to run GO Transit, operation? Not the rolling stock, not the leaseback, just how much does it cost to run GO Transit?

Ms Chung: For this current year, our operating budget is in the range of \$174 million.

Mr Pouliot: So 35% of \$174 million is what you're looking for, Mr Minister.

Hon Mr Palladini: I guess if you take her numbers and you want to go to 100%, then it's 35%, obviously, but I believe that there are some other tangibles that do come into play—not that I want to say that Frances doesn't give you the right numbers. You asked her the question and she gave you the right answer.

Mr Pouliot: That's right. She said that—

Hon Mr Palladini: But as far as the overall operating is concerned, you have other things that come into play.

Mr Pouliot: You see, there are no tricks here. You have a shortfall of more than \$50 million a year to operate the GO Transit system. That's the hand that takes the money and the hand that gives the money. At the end of the day, you're short over 50 million bucks. So if you want to reconcile this and make it viable, you have to hit the consumer, big time, because the money doesn't grow on trees even with the Conservatives. So what is your solution?

Hon Mr Palladini: Mr Pouliot, before I get Frances to speak on some of the solutions, I think it isn't as simply put, just like you're putting it, "Hey, the consumer has to pay more money." I don't believe that is a scenario I want to take a look at solely as a remedy-solver.

Mr Pouliot: Where are you going to find 50 million bucks?

Hon Mr Palladini: Number one, I believe that the service we deliver has to be competitively priced. It has to be to the standards of what they are in North America within the same type of communities. But there are other remedies that we should be taking a look at, and clearly this government is prepared to do just that. I'm going to allow Frances to share some of the concepts and some of the ideas of where we could in essence come up with the efficiencies. Frances, would you mind?

Ms Chung: Sure. I'll be glad to share some of the things we have been doing.

Mr Pouliot: With respect, in a broadly summarized form, because your time is so precious, Madam.

Ms Chung: Yes. We are continually streamlining our organization in terms of administration. We have done in the past, we have had some layoffs, and we shall be looking again as to how we can refine that.

We are also working very closely with our union. We are looking at the work rules right now that are there, in a cooperative effort. In the work rules right now, we believe there is room for improvement, but we are working on this in a collaborative way together with the union.

We are also looking at expanding our revenues. We are investigating ways of approaching advertising on the buses as well as the trains.

We are also working in negotiating with the railways to reduce the railway crews from four to three. Hopefully, this can be done in the coming year, and also in the future we hope to further reduce it from three to two. A precedent has been set in BC Transit whereby it has just initiated West Coast Express, and their crew is a two-member crew. So we are working in that regard.

Mr Pouliot: Is your objective to have, like, in the process of deregulation, if we keep that as a concept, is it your intention to have every route make money?

Ms Chung: As the minister has discussed, we are looking in the area of our buses or our bus routes to see which ones are affordable. As in any private sector, there are always cross-subsidies. There are going to be some routes that are going to have a better R/C ratio than others, but we are looking at the whole cost of bus corridors. We are prioritizing them. We are working, in cooperation with the ministry, to see how we can best improve.

Mr Pouliot: Yes, yes, yes. I'm so happy that—I'm learning a lot here, Madam, and I thank you for it. Cross-subsidization—it's not my mother tongue, so I do apologize—is that not a form of regulation where one route makes money and then you take part of that money and you cross-subsidize, you send it elsewhere to serve the good folks out there, with the understanding that some of the routes will not make money? Is that not a fair assessment, that cross-subsidization goes hand in hand with a regulated system?

Ms Chung: Yes. That is a fair assessment and that is why we are looking at all our bus routes to see which are the ones that we can afford. In the process of deregulation, I believe the government has also said that there are pitfalls to be avoided.

1610

Mr Pouliot: You've already answered the question, and I thank you very kindly, on deregulation. How many of the routes lose money?

Ms Chung: Right now, our R/C ratio is 65%, so on a general basis you can say that all the routes lose money.

Mr Pouliot: Well, well, well, Madam, it doesn't speak very well of the system. If there were only you and I, Madam, with respect, would you buy GO Transit if it loses more than \$50 million a year, plus you would have to buy rolling stock because those things wear and tear; they have to be replaced. That man there—

Mr Michael Brown: You already told them.

Mr Pouliot: I'm not asking for comments. I can very well do this.

Mr Colle: Who owns them?

Mr Pouliot: It's a leaseback arrangement. Any time you want to talk about that—that's not the question. Mr Chairman, is this my time?

The Chair: It's your time if you direct your comments to the Chair.

Mr Colle: You sold them all off.

Mr Pouliot: It's my time.

The Chair: Mr Pouliot has the floor. He's on a roll.

Mr Pouliot: The member for the Liberals should have better things to do with his time than to reel off or peel off old Hansards, try to take under those records that are irrelevant indeed.

Back to GO Transit, I have one last question. Aside from the rolling stock, if it's costing more than \$50 million a year, are you in the process of preparing a fare hike? The policy of this government is clearly to break even, à la free enterprise. As you look around you, you will see many good capitalists here, but most of those capitalists don't have a capital.

Hon Mr Palladini: Mr Pouliot, may I give you an answer? I think we have to stop speculating on price increases. I think we've answered that we are going to look for every possible way that we can come up with efficiencies. Price increases are not the only answer.

Mr Pouliot: Thank you very much, Madam. You couldn't resist, Minister, with your latest pique or sortie, blaming past government, and you reminded us that your regime, sir, was not like others. You've mentioned children, children hungry or children starving. Let me assure you, sir, that we don't for one minute have any lesson in humanity to take from your government. You have cut 21.6% from the less fortunate, the people who cannot defend themselves. Then you suggested to them that they go shopping with a hammer—buy dented tuna. That's appalling and shocking. Then you offered them a menu. They were referred to as not the marginalized, not the less fortunate, but downtrodden and low-lifers, and then you've endeavoured to move up the food chain. Be careful. Some people will better defend themselves.

When you mention making ends meet, you make no mention, Minister, of a 30% tax decrease that will benefit those who are the most fortunate. This will swell your deficit from \$10 billion to \$15 billion; therefore, you will have to enact more and more cuts. You have a vision all right and that's what you said.

Well, when you rammed through Bill 26, you had no fewer than 150 amendments. When your ministers or colleagues were questioned in the House, they were ill-equipped to answer; they didn't know. They portrayed a tableau of unprecedented incompetence. It's too bad. Well, that's what you say, that the municipalities that are the recipients of subsidies do not choose to make an allocation to Wheel-Trans. You see, when you pass the buck, when you download, they too are under a lot of pressure, so if you give them fewer dollars, little surprise that they too will have to spend fewer dollars.

I have a letter here addressed to the township of Nipigon. It's signed by David Ferguson, manager, public transportation office, dated September 11, 1995, when

you were the government. The subject matter being addressed is the specialized transit program at this time.

I will quote parts of the letter because I am quite disturbed. It flies in the face, it is contrary to what you have said before:

"While we have not been assigned a specific budget target for 1996, we expect that at a minimum, the current reductions will be permanent. Further reductions through restructuring of the specialized transit program are currently under consideration."

With your ideology and philosophy we know which direction that is.

"We recognize the inconvenience this may cause...."

"Based on the current program review taking place I regret that we cannot consider the addition of new municipalities to the specialized transit program at this time."

It concludes: "Thank you for your interest in providing public transportation options for person with disabilities in your community." Ministry of Transportation letterhead, a proof finale.

What do I tell those people here, to move to Toronto, that the township of Nipigon is, sorry, off the beaten path, that they don't have a chance to be like the others, that they are about to be tossed on the human junk pile?

You see, they have collected, they have nickelled and dined people to death here. This is a small program. You had a choice. You could have said yes, but you said no. You said to the people of Nipigon, in the riding of Lake Nipigon, and to many, many others, that it's no use calling, no room at the inn, we're shutting shop. But when it comes time to give to those who have the most, the people who run ahead of the pack, people with power, people you meet at the Boulevard Club and the Toronto Club, then a 30% tax cut to make you even richer.

Mr Minister, you've spent some time with us using, by way of analogue, by way of parallel, and you thought it was filled with validity, the example of being a good parent. Give us a break. We need one.

What do I tell the people here? Specialized transit for people with disabilities. What do I tell them, sir? They don't drive a specialized or a big car. They're ordinary people. They don't have the means of the more fortunate in our society. What do I tell them? They've received that letter saying: "Don't call back. We're not going to approve your grants now or in the future. The cuts are permanent."

It's your ministry; you're the minister. What do I tell the people of Nipigon regarding specialized transit?

Hon Mr Palladini: May I respond now? You're asking me to respond, Mr Pouliot?

Mr Pouliot: Yes, they're asking you to respond to them through me; that's right, Mr Minister.

1620

Hon Mr Palladini: As far as the actual letter that you've got, I haven't read it so I really don't know all the contents. I know you pointed out some of the contents that you read out. But basically, what I would like to say is that somehow we have to live within our means, and clearly the last two governments were not living within their means.

Mr Michael Brown: That's not right. That's not factually correct.

The Chair: Let the minister respond.

Hon Mr Palladini: We are trying to live within our means, and some of the decisions that have to be made are very difficult ones and certainly ones that we don't like, as ministers, as MPPs. I know how my caucus feels about some of the tough decisions that had to be made, but we made these tough decisions so that we can in fact come up with a remedy that will somehow bring the future with a little bit more light. Right now, we are in a very dark age. We are living way above the means.

Mr Colle: You're bang on there. We would all agree with that.

Hon Mr Palladini: We can't afford to keep supporting a \$100-billion debt. How much more money do you want to spend as a government, just adding to the debt on the heads of our children, like you were saying earlier? We cannot keep doing that. I'm saying that the people of Ontario finally have a government that has seized the responsibility and is doing the things that need to get done, tough as it may be, but we are doing the things that we must do.

Mr Pouliot: Like borrowing money on international markets to pay for the tax cut. That's so commonsensical. In no time at all, you'll have us all in the poor house.

Mr Preston: We're there.

Mr Pouliot: I have no more questions for this session.

Mr Preston: You guys turned out the lights.

Mr Colle: Get your candles ready.

Mr Bisson: I'll wait for the committee to come somewhat to order here and I will endeavour to ask some questions.

Interjections.

Mr Bisson: No, no apologies. I understand how members—and I at times engage in exuberance on this committee as well, so I'm not passing—

Mr Rollins: You don't. I can't believe it.

Mr Bisson: I am not passing any judgement, believe me.

First of all, just a quick comment and then I've got a series of questions around regional transportation and GO and a few other things. You made the comment that basically it is the goal of the government to make sure that everything in the end, when it comes to services offered by GO and others, is offered on a break-even basis, because after all, it's not wise expenditure on the part of the government of Ontario to subsidize through the taxpayers' dollars, such services.

I just want to remind the minister, and I'm a little bit surprised that the minister doesn't know this already, that it's a matter of public policy in this province, as it is in every other jurisdiction in the civilized world—and last time I checked, Ontario falls under that heading—that we engage in the development of public policy in order to be able to offer to the people of our jurisdiction services that are somewhat cohesive and services that are somewhat in kind, the same, to different people across our jurisdiction, that being the province of Ontario.

Unfortunately, the private sector cannot do it on its own because the market base is just not big enough to make that happen. So the government of Ontario, like

every other government across the known world that works in a free market economy, has moved into those areas that are not economically viable because the private sector couldn't do it on its own. The government offers those services so that the people within our jurisdiction are able to, in this case, come to work every morning or go to visit people in the city or go wherever they might be going, through the services of GO Transit. I'm a little bit miffed by a minister of the crown who is supposedly responsible for transportation not recognizing there is a factor of public policy in all of this. Anyway, needless to say, there are a couple of questions around that.

GO Transit operates at a current subsidy of about 35 cents on the dollar; 65%, or somewhere about there, is through the fare box and the rest of it is through a subsidy. I take it—a yes or no answer, please, without a lot of detail—that where you're trying to get is that the subsidy is altogether eliminated and entirely paid for either by efficiencies or by privatization or by higher fares, or a combination of all three, or others I might not have mentioned.

Hon Mr Palladini: Viable, to me—you can interpret it in a couple of different ways, but certainly it is this government's intention to see how we can become viable in a cost-efficient way, and there are opportunities that could be explored and should be explored—

Mr Bisson: I understand that. That's not my question. I've only got 10 minutes and I'd like to get an answer to my question. I understand where you're going. You're making a decision that I have to respect because you're the majority government—I don't like it, but I respect it—and that is, you have stated on this committee that you want to see GO Transit become break-even; in other words, no government subsidy. That's where you're going.

Hon Mr Palladini: That would be our intention, that would be our goal. That would be the goal in the best interests of all Ontarians.

Mr Bisson: Nothing wrong with that; if you can do that, that's fine. But the question that begs to be asked is, if you're not able to get to that goal of being break-even, do you plan on cutting out the service?

Hon Mr Palladini: I'm going to answer you in this way. We are going to look for every opportunity where we can get the savings, and we are committed to giving the people of Ontario a balanced transportation system.

Mr Bisson: I am committed with you in doing the same thing.

Hon Mr Palladini: I have no intentions of cutting off GO. I have no intentions at this time of privatizing GO or getting rid of GO.

Mr Bisson: Now I'm getting answers. That's the answer I'm looking for. You're telling Ontarians, through this committee, that if you're not able to find all the efficiencies that you and I would like to find, and you're not able to find better ways of running GO Transit, you're still prepared as a government to keep that subsidy in place so people keep their services?

Hon Mr Palladini: We have that commitment of providing the people of Ontario a balanced transportation system, and GO is a major part of it.

Mr Bisson: And that means you're not going to pull services out of communities like Oshawa or Whitby, or whatever it might be. Those people are safe?

Hon Mr Palladini: This government is committed to fiscal responsibility. We have to look for ways to find the opportunities to—

Mr Bisson: Okay; all right. I'm going to get more of the same.

I've only got five minutes, so I'm going to try to go through this. Do you plan on expanding any other kind of rail service, through shortline services? Are you looking at trying to find ways of dealing with the whole question of shortline rail transportation in addition to what GO Transit now does?

Hon Mr Palladini: We are taking a look at everything for how we can improve the transportation system. Shortline rail—we introduced it; we're the government that introduced it, so we are committed. We see opportunities and investments coming in shortline rail—

Mr Bisson: You don't have to be defensive; it's a very simple question. The government is actively looking at trying to find ways of looking at the shortline rail system as being in addition to what GO Transit would presently provide so Ontarians are better serviced?

Hon Mr Palladini: Yes, we are going to encourage—

Mr Bisson: Thank you. The next question—

Hon Mr Palladini: We are going to encourage the private sector—

Mr Bisson: But if the private sector is unable to do it on its own, will the government look at getting into some kind of partnership arrangement with those private sector carriers on shortline rail to make those lines viable, or providing other kind of assistance, if necessary?

Hon Mr Palladini: We will look at every opportunity there is, but we cannot keep expecting government to bail us out or to make businesses viable. We cannot just say that government is going to make up the difference. We must stop.

Mr Bisson: You're being very defensive on this one, and there's no reason to be. All I'm asking is whether there's a policy this government is undertaking to figure out a way to move on the shortline rail question that would be in addition to services presently provided in our system of transportation. You want to do that primarily through the private sector; I respect that. But in those cases where it's not viable, where the private sector can't do it on its own and may need some assistance to provide shortline rail transportation to some communities somewhere, is the province prepared to play some kind of role in assisting the private sector? It may not be a direct subsidy; it might be other things.

Hon Mr Palladini: I guess there has to be a good strategic reason and it has to be a priority, for government to take a look at further involvement from a subsidy standpoint.

Mr Bisson: Are there presently any proposals before the government in regard to short line, before you on your desk, at this point?

Hon Mr Palladini: Not at present, that I'm aware of.

Mr Bisson: Are there any proposals about regional air carriers in regard to a system of transportation? Any kind of regional air carrier proposals on your desk?

1630

Hon Mr Palladini: Not that I'm aware of. I have heard some rumblings, but I can't really answer that.

Mr Bisson: Have you heard rumblings around Air Oshawa? Is there any proposal for Air Oshawa?

Hon Mr Palladini: I really can't give you any specifics because I do not know any specifics.

Mr Bisson: The deputy is shaking his head no. There are no proposals from Air Oshawa at the Ministry of Transportation at this time?

Mr George Davies: We have not received any.

Mr Bisson: Minister, can you check for tomorrow if there are any proposals for Air Oshawa on your desk? I'd be curious to know.

Hon Mr Palladini: Sure.

Mr Bisson: I've got one more question.

The Chair: You've got about two minutes.

Mr Bisson: Wow, I'm having to clip through all the way. On the question of air transportation, to follow that a little further, you would know that your colleague the Minister of Northern Development and Mines, one Chris Hodgson, the hatchet man of northern Ontario, is in the process of shutting down norOntair, which means at least nine communities in northeastern Ontario will lose air service altogether, and the danger of having their airport shut down because they lose a subsidy from you, as the Minister of Transportation, on those municipal airports, and then they lose the landing fees on top of that.

Are you prepared, as the Minister of Transportation, the person who is ultimately responsible for the transportation system in this province and provincial policy on transportation, on behalf of northerners to talk to the Minister of Northern Development and Mines to get him to slow down this closure of norOntair to ensure that the private sector will move in, as you say they will, to take over the routes in those communities that will be affected?

Hon Mr Palladini: I really can't answer on Minister Hodgson's situation, but I can give you an answer from a government standpoint. We are going to take a look—this is our government's mandate—at every opportunity to see that things get done in an orderly fashion. Just for the sake of getting rid of a service—it isn't just going to happen just like that. I am sure the process Mr Hodgson will be taking on is going to be in the best interests of all Ontarians.

The Chair: Thank you. The Conservatives have their 30 minutes, and I see the hand of Mrs Marland.

Mrs Marland: I'm thanking my colleagues for giving me this brief opportunity. I am concurrently sitting on another committee, but I really wish, when I listen to the former Minister of Transportation, that I were on this committee, because we could have a lot of fun together.

I would like to ask the minister—I know he isn't going to have any difficulty saying yes to this question, but I need to put this on the record. For the 11 years I worked in opposition with the Ministry of Transportation, I discovered there is a mindset in the ministry, and it's one I would like to get your commitment on changing; that is, when the ministry is reviewing projects anywhere in the province, that it directly involve the local MPP.

In my case, it hasn't made any difference that I'm now in the government seven months later. I found out from a constituent that whatever the regional office is that's responsible for the Queen Elizabeth Way and the Mississauga Road interchange, the ministry is now in the process of holding public hearings and in fact has even advertised public hearings on the work to be done. There's repair work, apparently, necessary on the bridge over the Credit River, and there's a discussion about redesigning and reconstructing the Queen Elizabeth-Mississauga Road interchange.

The reason I'm asking you directly is that I have not been able to achieve this with former minister, and I would like to get the commitment from you that when public hearings are being held in a riding, the ministry automatically invite and inform the local member of provincial Parliament, as the representative of the ministry for that area, of those meetings and in fact extend the courtesy as far as scheduling the meetings with the MPP's personal schedule in mind.

Hon Mr Palladini: I want to thank my colleague for her question, and certainly I concur. I apologize if that process has not happened, but you have a commitment from me, and I believe our staff would certainly back me up on that. Number one, it's good business. Things are tough enough to begin with, and we have to be able to work together and at least give you the opportunity to serve your constituents. You have done such a marvellous job in your riding that I want to commit to you that it will happen.

Mrs Marland: Thank you. I appreciate that, Minister.

The Chair: Just a matter of clarification. Are you saying, Minister, that all the MPPs will be contacted? I just wondered, for clarification.

Hon Mr Palladini: I believe I have committed to my colleague to give her the information, and I guess my colleagues—

The Chair: Not the opposition?

Hon Mr Palladini: Not the opposition, but I just want to say—

Mr Colle: No, wait a minute—

Hon Mr Palladini: I want to say this.

Interjections.

The Chair: Order, order.

Hon Mr Palladini: You didn't let me finish. Just like that day in the House, you didn't let me finish. I clarified my answer. I was answering then, but you did not allow me to finish my answer. Please allow me to finish my answer.

The Chair: Go right ahead, Minister.

Hon Mr Palladini: Thank you very much, Mr Chairman. As a government official, I serve all Ontarians, not only Conservatives; I serve the NDP, and I serve Liberals. I believe we have to work together. Whatever information I have, my ministry has—and I began this mandate of mine with a letter to all MPPs, including the opposition, that if my ministry could be of any help, we would do so, we would give you whatever information, whatever help you needed in your constituency. You have my letter on file. Whatever information I give my colleagues, I will give to the opposition as well. You have that commitment from me.

Mrs Marland: Hansard will show that I was asking that the ministry work with the local MPP when there are public hearings and open houses and projects being considered within their ridings. That was the commitment I got from the minister, and I thank you for that.

Mrs Ross: Mr Minister, I'm glad to finally get a chance to say something here. As a new member and a new member to the standing committee on estimates, I want to read something from the Provincial Auditor's report.

"The Ontario government is faced with enormous financial pressures. To cope with these pressures, tough decisions will have to be made about which government programs and services should be preserved as they are, which programs and services need to be modified to become more economical, efficient and effective in meeting legislative objectives, and which ones should be discontinued.

"To survive, these programs and services will have to compete for shrinking resources."

That is not our government speaking; that is the Provincial Auditor speaking. I wanted to get that on the record. I also want to say that one of the observations from the Provincial Auditor noted here is, "MPPs from all three parties expressed concerns that 'party politics' play too great a role in the review process."

Having said that, I guess I'm going to follow suit and talk about something near and dear to my heart. I come from Hamilton, Hamilton West precisely, and Hamilton seems to have been ignored by a lot of politicians in the past at both the provincial and federal government level. We are characterized as being just a steel town, and I take great exception to that. We are a very diverse community. We are leaders in environmental fields and education fields and in health fields, so to say that we are just a steel community is wrong.

On December 17, 1990, the then Transportation Minister met with my predecessor, Mr Richard Allen, behind closed doors and made a decision that impacted very severely on our community. That decision was the cancellation of the funding to the Red Hill Creek Expressway.

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I would like to just give a little bit of background on this project for some of the members who may not know. The project was 38 years in the making. I do have some dates on that. It originally began in 1929 when the city purchased some property. Then in 1957 they suggested an expressway go through there. It goes on, and the dates that I'll just refer to are: 1977, when a definitive study was made by the region that favoured the use of the Red Hill Creek Expressway as the only route to take through the city; in 1979, city council and the region both voted to go down the Red Hill route; March 13, 1987, the Liberal cabinet at that time approved the project; and then of course December 17, 1990, the then Minister of Transportation, Ed Philip, announced the support was no longer there for the north-south route.

There are a couple of things I'd like to clarify. First of all, we talk about the east-west route and the north-south route. This is in fact one road; it is not two different roads. The purpose of the road is to get traffic from one

end of the city and to get the trucks off of our residential routes. The east-west portion was proceeding as planned and the cancellation affected the north-south route. Just to make it really quick, the opposition claimed that they cancelled the funding on that project for environmental reasons. In fact, when it came closer to the last election they decided, a year before the election, they'd better get doing something about this because they were going to lose a lot of support in Hamilton. They proposed a project which would involve several other conditions attached to building this road. But lo and behold, the route going down the Red Hill Valley was going to be considered after all. So their claim that it was for environmental concerns really was just words, in my opinion.

Prior to our government coming to power, Mike Harris visited Hamilton and made a commitment to the Red Hill Creek Expressway. In the fall of this year, we deferred some of the funding, \$6.75 million, because we were looking at all of the projects and all of the spending areas, which is what the Provincial Auditor's report suggested we do. So we postponed any further funding on that so that we could have a look at the project, and I understand the reason for that. But I'd like to ask you at this moment in time just to clarify for the record, so everybody is clear, what's happening with that roadway. What is the funding now with respect to the Red Hill Creek Expressway and what is our commitment?

Hon Mr Palladini: We have committed to going ahead with the Red Hill Creek Expressway, to the support of \$20 million for the next five years. Like I basically said to you last fall, because of the fiscal situation that we do find ourselves in as a government, we are not able to go ahead with certain projects, and the Hamilton-Wentworth was one of them—\$6.75 million. I basically said that I would make it up to you next year, and I have. So not only are we going ahead with Red Hill Creek, supporting it at \$20 million, but re-establishing the \$6.75 million that we pulled back from last year.

Now, if there are some specific details that you would like, I'm sure I can get Ian Oliver to give you exactly how it's going to take place. Ian, would you mind coming up, or Carl?

Mr Carl Vervoort: I'm Carl Vervoort, the assistant deputy minister of the quality and standards division.

As the minister has indicated, the funding outlined and announced is for \$100 million. In addition, as the minister has indicated, the \$6.75 million which was deferred from the current fiscal year will be available in the next fiscal year, 1996-97. In fact, in the first year the total available subsidy from the province will be \$26.75 million; thereafter, \$20 million in each of the four years.

That is the fiscal plan, the general layout of the available funds. We have had conversations with the local commissioner of transportation, Mr Dale Turvey, about the prospects that there might be different cash flow requirements in the future years, depending on the rate of progress of the project, and we undertook that, depending on the allocations of the day, there could be some variability in the preciseness of those allocations. But the commitment is for the \$100 million and reinstatement of the \$6.75 million deferred from the current year.

Mrs Ross: Just a couple of questions then with respect to the funding. At the bottom of the north-south route, at the connection with the Queen Elizabeth Way, I know that the Ministry of Environment is working closely with regional staff to develop that hookup at the bottom. I also am aware that some of the funding for that hookup, which was a provincial responsibility, has been given back to the municipality, but there are ways of them making up that money. It has to do with development costs, and I'm not a developer and I don't understand that. I wonder if you could just clarify that for me.

Mr Vervoort: Yes. In general, in the past the ministry has required that if in a particular project there are revenues received as a result of contributions by third parties, those contributions would be deducted prior to the sharing of the project costs. With the announcement of the government in supporting the Red Hill Creek completion, it was indicated that should the regional municipality of Hamilton-Wentworth identify additional sources of money related to developers, it would not in this case impinge on the announced subsidies available from the province.

Mrs Ross: There were also comments made with respect to I guess it's the Highway 416 savings found in expenditures through different ways of purchasing. Could you just tell me about that?

Mr Vervoort: Yes. In general, I believe what you're referring to is a notion that is frequently referred to as value engineering and is the process whereby, prior to actual award of construction of a capital project, there would be a review of the project to ensure that all of the features that are proposed to be constructed in fact are fundamental and essential to the project, and to ensure if there are any opportunities to reduce the scope of the work to reduce the approach to the job. So in order to save time—time of course having value in and of itself—those projects, those components would be reviewed and modified, as necessary, in order to reduce costs. So there's a process of review known as value engineering which might reduce the cost of any particular project.

We're increasingly looking at projects which have had a long life, and perhaps most of our freeway projects and major highways in the province do have associated with them a long planning horizon and a long design time. In the current time it's clear that, with limited resources, we do want to make sure that we are only building the components that are essential, and perhaps some of the components can be deferred until a subsequent time period.

Mrs Ross: As I said earlier, this is a project that is near and dear to my heart. As a matter of fact, when the Red Hill Creek Expressway was finally committed, my husband was a freeway manager, and so I get a lot of pressure from home about where our government stands on this project. No, I don't have money invested in it, and no, I don't expect to make any profit out of it. What I expect is that it's going to provide a very needed access through our community to get trucks and transportation off the residential roads, and so I'm thankful that we're going ahead with the project. I'll pass it over to my colleagues.

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Mr Preston: The minister has been hit with numerous questions and statements regarding a whole bunch of different ministries that he hasn't got responsibility for, so I thought I would make a kind of blanket statement.

My friend in the third party has gone on ad infinitum, ad nauseam, regarding the number of jobs that are going to be lost. I would like to bring to your attention that this weekend the former Premier, now the former leader of the third party, stated on Sunday—and I'm paraphrasing now, but the intent that I convey is exact—"I've known for four years the public sector is unsustainable."

In my view, "unsustainable" means you can't carry it on. Why can't you carry it on? Because you can't afford it. We have been saying that for quite some time now. The opposition took our CSR, poured a little water on it, bleached it out a bit, but had mainly the same kind of situation as we proposed; and the third party's leader at that time knew for four years you couldn't carry on the way you were carrying on.

It's been left to us to take up the reins, to bite the bullet, to put ourselves in jeopardy, but to get the job done properly. That's not five minutes worth, unfortunately, but those are the views that I wanted to express.

Mr Rollins: Mr Minister, getting back to something that I feel we know a little bit about, the truck industry, I've been involved in it for a little bit myself. I do know that you are considering lowering rates on axle weight. Is that something that you're going to try to look at? And some of the triaxle trailers that we have on the road that are very hard to—those lift axles, has there been some discussion with the industry over that?

Hon Mr Palladini: Thank you very much for the question, and certainly what I'll do is I'll share just some brief information, but I'd like to turn it over to David Guscott. I think he'll share with you.

It isn't just axle weights, because nothing has been formalized. We are lifting the moratorium that presently is in place. We have legislation in place, but it's not being enforced. So as of July 1, on the aggregate haulers, the moratorium will be lifted.

As far as the types of vehicles that are presently on our highway are concerned, certainly we want to work with the industry to have an orderly deregulation, so to speak, of making sure that our infrastructure will be protected. Clearly what's happening right now is that a lot of the truckers are not paying attention to their responsibility. Lift axle is one of the main contributors to the deterioration of our infrastructure, and we cannot keep accepting that. So that is just one entity of it, but David, do you want to handle it or have Rudi do it?

Mr David Guscott: I'll start. I'm David Guscott, ADM, policy and planning, Ministry of Transportation.

There are initiatives under way with respect to changing regulations in eastern Canada with respect to trucking. Our concern is twofold in this regard. Number one, we have very valuable infrastructure in the roads and highways of this province that we have to maintain, we have to ensure stays in good shape. With ever-diminishing dollars to keep them in good shape, that's become even more important than it ever was. At the same time, this is a balancing act, because there is a direct effect on

the productivity of our manufacturers and shippers and the efficiency of the trucking industry itself as you reduce the loads that are permitted.

What we're attempting to do and to balance in this regard is to determine the axle configurations which have minimum impact on the roadway itself. There are ways of configuring, as you will know, the loads and the location of the axles under those loads to provide a minimum amount of adverse effect on the roadway.

At the same time, there are types of commodities moved in this province that can't move by rail, at least for their whole trip, that do have to move on our highway system and for which the technology has not developed as far as we'd like to see with respect to appropriate configuration of axles and weights in that regard.

There's pressure from our provincial neighbours to the east, that's all of the provinces, to bring us into conformity with some of their views on what those weights ought to be. The easy thing to do would be to go along with that. The difficulty would be that it doesn't properly reflect or acknowledge the impact of our infrastructure and our competitiveness in that regard.

For that reason we have prepared, and at the minister's request shared with all of the involved parties, the terms of reference for a study which would look at this very delicate balance that must be struck between the preservation of the infrastructure and the efficiency of the movement of goods on our roads and highways.

We expect to begin that study soon and we hope to have it finished in the summertime. It will involve an investigation and some detailed engineering work on the state of our structures. It will also involve talking to shippers and manufacturers to determine what their needs are, what their plans are and how we can best bring this balance into the proper situation.

Mr Rollins: One of the concerns I have too is that I detect some of our neighbours, particularly to the south, coming in with basically half loads on their trucks, and because our restrictions are not what theirs are, then they can top up their load or increase their tonnage to travel through our roads and wear them out. I think as long as you people are working in conjunction with some of our partners on our perimeters to make sure, but ever keeping in mind—I know it's nice to be able to draw bigger loads and bigger loads and more tonnage, but we're paying dearly for every one of those tons that go on wrongly loaded and put pressure and weight on the roads that are tearing it up by the minute. I think that's one of the criteria that we've got to really look after very strongly. Forget about the safety aspect of it, but we've got to be very strongly in mind of the tonnage that we're drawing over our roads.

Mr Guscott: Absolutely. I would just add to the minister's comments about unregulated loads, which effectively have taken place in the aggregate hauling business for many years, that there's finally an end to that. There are parts of the province, particularly in the aggregate producing areas of Durham etc, where you can see the roads the trucks take by the ruts in them and you can see where they take the turns. The roads are in very bad shape. It's long time to bring in the regulation of that.

Mr Rollins: As long as we're keeping that in sight, because people who haven't been on the roads realize

that when they're on some of the roads and they feel that wave moving back and forth in a car, and in a truck it's even a lot more pronounced. When that road keeps being used all the time and those little wear bars on that road keep getting thinner and thinner, it's a problem. There's only one thing that causes it, and that's weight.

I know the truckers would all love say, "Just forget about that; we can draw as many tons, because of ton-miles and all the rest of it," but I think we've got to ever keep in mind the wearing out of our roads.

Mr Guscott: That's why we want to do this partnership study with both parts. I will say that in our discussions with the trucking industry, they've been very responsible in acknowledging the fact that they don't want to see us post half-load limits on bridges, for example. That has a greater impact on them than some slight reduction in their permitted load. They have acknowledged that there's a balance to be struck here and they don't want to see the infrastructure deteriorate either.

Mr Rollins: One of the other things, and probably you know, with the lift axles we have on at the present time: Is there any idea that maybe those lift axles will be ruled unusable?

Mr Guscott: No. In western Canada where, for reasons that primarily relate to the quality of the subsoil that they build their roads on, lift axles are not permitted; they're banned. They're banned because it's too easy to lift the lift axle, when you're under load, to save some fuel economy, for the short-term benefits, but the long-term disbenefit of the whole situation.

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The trucking industry has acknowledged with us that an orderly phase-out of lift axles is inevitable in the rest of Canada, not just in Ontario. They want to discuss how to make that transition, but they do acknowledge that there are configurations under development and some now available which negate the need for the lift axle; in other words, which allow trucks to make turning movements without a need for a rigid or fixed axle in the middle. Perhaps Mr Wycliffe would elaborate on that.

Mr Wycliffe: As Mr Guscott has pointed out and the member has mentioned, lift axles are certainly the focus of the reviews that Ontario has taken in the past, and the other provinces east of us. I do want to point out, however, that the configurations to achieve maximum weight in Ontario do not require airlift axles. We have been very actively encouraging the industry over the last number of years, and continue to do so, to move to what we call road-friendly and bridge-friendly configurations.

Probably the best example of that, at the risk of being a little bit technical, is a configuration that's called a B-train, which is basically a power unit, a tractor, pulling two semitrailers with two fifth-wheel connections, one between the tractor and the first trailer and one between the tractor and the second trailer. It is superior in terms of stability turning circle and very superior in terms of the proper weight distribution to minimize the weight impact on roads and bridges. So the ideal, if you like, configurations exist that don't penalize the industry in terms of gross vehicle weights. The problem is, there are products that cannot carry on a B-train, for example.

Mr Michael Brown: I'm wondering if you can help me in understanding your new grant structure. When we

talk about municipal supplementary grants, are they still in existence in the way they once were, or have they totally been rolled into the—I've forgotten your grand name for that.

Hon Mr Palladini: Thank you for the question. I hope I can clarify it for you. As far as supplementing municipal roads grants, which you're referring to, they are now part of the block funding.

Mr Michael Brown: So that would mean—

Mr Davies: With the exception of the \$100 million.

Mr Michael Brown: The transitional money. I do have some concern about that in that the supplementary grants recognize perhaps the greatest needs in the province of Ontario. Especially some of the smaller communities, in terms of carrying out capital projects, are going to have a great deal of difficulty. Some townships, for example, will have far greater needs within their township than others, and you'll be unduly penalizing some townships that perhaps, for whatever reason, have been down the priority list and are now just coming to the top.

Hon Mr Palladini: Certainly we shared the same concern, as a government, to make sure that smaller municipalities would get their fair share as well. That's one of the reasons why we did go to block funding, and we are encouraging municipalities to take a look at how they do business. I'm going to turn it over to Carl Vervoort and he'll share with you how we arrived at that block grant funding.

Mr Vervoort: The question you pose is with respect to supplementals. As has been answered, they are now included and would be part of the municipal support program administered by the Ministry of Municipal Affairs and Housing.

There is for a period of time \$100 million, as the deputy minister has indicated, available to assist during the period of transition. That money includes some \$40 million designed to accommodate projects deferred from the current fiscal year, as well as a recognition of a couple of programs that are in place with respect to the federal government. The strategic transportation improvement program, and in addition, support for the Red Hill Creek, are components of that \$100-million fund.

The expectation will be that municipalities will be planning their capital needs, making assessments of their capital needs and making plans for those investments on a longer-term basis than perhaps they may have in the past. The ways in which those necessary expenditures could be financed remain to be seen. I think at this point there is an expectation that, increasingly, municipalities will be looking for ways to match their expenditure profiles on their capital investments over the life of the asset. Typically in the past, in most infrastructure investments, they have been very lumpy. We tend to face large investments in the creation of new infrastructure or substantial significant rehabilitations on a periodic basis. The view to the future would be that increasingly municipalities find ways in which to match their profile of revenue creation and the capabilities they have to generate funds locally with those future flatter expenditure profiles.

In addition, clearly there will be an obligation on municipalities to increasingly work together, to recognize

where there are mutual opportunities to share in both the benefits and costs of infrastructure. There will continue to be advice available from the Ministry of Transportation in respect to the municipalities that may not have the degree of expertise that some of the larger municipalities have. Indeed, we are currently embarked on a program of working with the Ontario Good Roads Association as well as other related groups to see how they, as associations of municipalities and technical transportation experts, can help support both the technical advice and the financial planning and management of infrastructure within the municipal area. This will be a new role that our ministry will be playing that will begin with the coming fiscal year.

Mr Michael Brown: I appreciate the answer. I believe it's code for the townships to borrow their own money to do their own work, and the local ratepayer will pay. I know of only one township in my entire constituency that receives slightly more money under this program than others, and most were looking at significant drops in their support from the ministries of Municipal Affairs and Transportation.

I want to ask about a couple of specific projects in my constituency and the progress on them. The first would be Highway 6, in the neighbourhood of Little Current. There is a bridge called Goat Island Bridge between Goat Island and La Cloche Island, a relatively small bridge that the ministry is reviewing. We are very interested in seeing the highway realigned and a new bridge. I think the ministry's quite aware of that. We have a deferral from last year, while the ministry reconsidered its position, and I appreciate the deferral, rather than going forward with work the community really didn't want done. But we would like to know when we're going to straighten the road and put the bridge in the right place and get on with life.

Hon Mr Palladini: Thank you for the opportunity. I'm going to turn it over to Ian Oliver. He'll be able to bring you up to date on exactly what is going on.

Mr Ian Oliver: I'm Ian Oliver, acting assistant deputy minister of operations, Ministry of Transportation.

In answer to the question, the work is progressing to redesign that project, as you alluded to earlier. The opportunity is presented to realign Highway 6 because there's some Canadian Pacific Railway property that would now be available. For that reason, the bridge job itself was deferred, so the whole thing is being treated as one package. In the meantime, the regional and district people are watching the bridge very carefully for any repairs that have to be made so that it's kept in safe and usable condition. Timing for the actual construction is to be determined in the current discussions that are under way about setting priorities and future budgets.

Mr Michael Brown: Can I take, from what you've just said, that the commitment is to realign it and put the bridge in the new position that the community seems to believe—

Mr Oliver: From a technical point of view, that is the way the project is being designed at this particular time.
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Mr Michael Brown: So it's just a matter of appropriate funding at the appropriate time, and there is no question that it will be changed.

Mr Oliver: That's the way it's being redesigned.

Mr Michael Brown: Is that the commitment, Minister?

Hon Mr Palladini: If Mr Oliver has told you that, I believe that would be the commitment, yes.

Mr Michael Brown: Okay, thank you. We appreciate that, but we want it done in as quick a time as possible. As you know, it's a very dangerous situation. Ask both the mayor of Little Current and I, who were both in an accident at the same place right there just at the same time as the Conservative Party's nomination, last year about this time.

The other question I want to ask is, we have a request from the township of Assignack, a long-standing request, looking at hopefully the ministry taking over a section of road that leads from Highway 6 to the border of the Wikwemikong First Nation. It's been a long-standing request of that township, which I think they're trying to remake. As you might know, the Wikwemikong First Nation is a very large community of some 4,000 or 5,000 people, and the road, although not terribly long, is extremely well used.

It is a problem for the taxpayers of Assignack township to maintain that road because of the traffic volumes, and it's essential to the people of the first nation that they have good access through that road to get to where they are. I was just wondering if you have a position on that, and if you don't, I would encourage you to get one.

Hon Mr Palladini: I am not really familiar with that at all, but give us an opportunity and we'll get you the information and get back to you.

Mr Michael Brown: Yes, I would really appreciate it. I know the township council is—you won't be the first minister they've lobbied for this and certainly it is very difficult for this township of only about 800 people to be supporting a road that has this kind of traffic volume. It isn't really a township road in terms of just serving the township; it is a vital link to the—

Mr Pouliot: Four lanes.

Mr Michael Brown: No, not four lanes—to the Wikwemikong First Nation.

Hon Mr Palladini: Give us an opportunity to get back to you on that.

Mr Michael Brown: I appreciate that, thank you.

Mr Colle: I want to get back to the decision-making processes, the planning process in your ministry. When I asked you before about how you decided to continue to spend \$1 billion on Sheppard and not build Eglinton, did you take into account, let's say, the whole GTA in terms of expenditure? Considering the demographic shifts that are taking place, did you evaluate perhaps investing in GO considering the growth of the population of the GTA? Why would you just solely put \$1 billion into Sheppard? Why would you cut GO by \$30 million and put \$1 billion just into Sheppard, which is an inner-urban, almost, subway line?

Hon Mr Palladini: I believe I gave you earlier the answer you are looking for, but I'll give you some more details. I'm going to ask my assistant deputy minister, David Guscott—

Mr Colle: No, but I just want to ask you—

Hon Mr Palladini: I'm sure he can enlighten you on any information you want.

Mr Colle: No, but you made the decision, Minister.

Hon Mr Palladini: You are entitled to get the best possible information and I'm giving you the best possible person to give you that information. Whatever I tell you, I am not as knowledgeable, and I wish that I was so I could address your concern. Here is a man who will address your concern and give you exactly what you're looking for.

Mr Colle: Mr Minister, I asked you a question. They put these options on your table, right? They said, "We've got \$1 billion to spend on transportation." You had to make the decision. The buck stops at your desk. They said to you, "We put \$1 billion towards Sheppard or we put \$700 million towards Eglinton or we put maybe \$100 million towards GO." Did they put those options on the table for you?

Hon Mr Palladini: There were a lot of options that we discussed and I was made aware of. This is the reason I would appreciate having Mr Guscott go over it with you so he can tell you exactly what did happen.

Mr Colle: He didn't make the decision. You have the limo. You are the minister. You make the decision. He doesn't have a limo. Mr Minister, answer my question. What did you make your decision on? Did you think of the GTA needs?

Hon Mr Palladini: I am trying to be very understanding of you. You know, Mr Colle, I am somewhat disappointed with your attitude and also the confrontational method that you choose, that you would like to intimidate me. I'm going to ask you one time and I'm going to ask you right here and now, please refrain from referring to the government vehicle that I happen to use on occasion as my limo. I'm going to ask you on the record, please refrain from referring to the government vehicle that I'm driving as my limo. It is not a limo; it is a four-door automobile—

Mr Colle: It's not a two-door?

Hon Mr Palladini: —it is being driven by an individual who works in the Ministry of Transportation political office, in my office, and I utilize him to drive me around so I can put government time to better use. Mr Guscott, would you like to give Mr Colle the answers that he's looking for.

Mr Colle: No, I want you to answer the question.

Hon Mr Palladini: I have given you my answer, and there's nothing further I have to say.

Mr Colle: No, you haven't answered.

Hon Mr Palladini: Mr Guscott will be more than happy to bring you up to date.

Mr Colle: Mr Chairman, I'm asking the minister a simple, basic question: Did he take into account the transportation needs of the GTA, the needs of GO transit, the needs of other transit authorities before he made a decision to invest \$1 billion in the Sheppard?

Hon Mr Palladini: Mr Chairman, I would just like to basically say that I do want the member to get the proper information and certainly the most up-to-date information so he is very much aware. What I am going to be able to give him is not sufficient. Mr Guscott will give him a complete GTA transportation plan and hopefully what Mr Guscott is going to say to him will suffice his concerns.

The Chair: May I say this then, Mr Colle, do you feel that the information Mr Guscott will give—

Mr Pouliot: But he's asking the minister. He's asking the top person.

Mr Colle: Mr Chairman, I can contact Mr Guscott to get his information. It's very rarely I get a chance to question the minister. That's why I'd rather question the minister, but he doesn't want to answer that. I'll move on to another area, okay?

Earlier today—I'm not quite sure what you were saying—you said very emphatically that you believed in privatizing GO, then you retracted and said you don't. Could you just explain whether privatization of GO is part of the solution you're looking for? Is it or is it not?

Hon Mr Palladini: I believe that as a government we have a responsibility to govern in a cost-efficient way and give the people of Ontario the services that certainly they require, but we must do that in a cost-efficient way. What I did say as far as GO was concerned was that if there is an opportunity to privatize with savings for Ontarians and improve the service or maintain the service levels, more cost-efficient, why not?

I also said that we are not looking to privatize GO at this time. On the contrary, we are looking at opportunities how we can expand GO and make it viable, make it efficient so it will give the people of Ontario the services they expect.

Mr Colle: Okay, another question: In terms of your priorities here, the auditor stated that 60% of Ontario roads are substandard. They're essentially in dire need of repair. I look at your statements today and I see nothing but glowing comments about expanding 407, writing a blank cheque for 407, you're going to expand 416, you're going to do the Red Hill Creek. What is your strategy or how many dollars are you going to put into rectifying that 60% substandard road inventory you have?

Hon Mr Palladini: We are going to make sure that enough money is going to be shifted over to the rehabilitation program, but as far as numbers are concerned, I can get Ian to get you exactly what numbers in essence we are going to deal with.

Mr Colle: No, I don't want the numbers. Is there a program in place?

Hon Mr Palladini: Yes, there is.

Mr Colle: What is the name of that program?

Hon Mr Palladini: I'm going to get Ian Oliver to go over it with you. How's that? You want that information? Allow me to have Ian Oliver share it with you.

1720

Mr Colle: I asked you the name of the program that is going to meet with the 60%—

Hon Mr Palladini: You want the information, and I'm telling you, we do have a plan and a program, and I've got my man right here, he's going to give you the exact information you want and you don't want me to have him do that.

Mr Colle: Okay, I'll ask your man.

Mr Oliver: I suppose the best way to describe with some kind of label what we're doing to address this—

Mr Colle: Ian, excuse me if I'm quick. I just want to know the name of the program and how much money is being put into it.

Mr Oliver: The answer to your first question is, we're calling it refocusing and repriorizing provincial capital

dollars, and I can tell you what that means and what we're doing specifically.

Mr Colle: No. How much money?

Mr Oliver: I can't answer that because that is the subject of discussions that are going on right now in terms of the estimates for the coming years and the overall priorities.

Mr Colle: And this is a new program?

Mr Oliver: This current year, we are at a level of about \$200 million dollars, total, across the province—it's more than \$200 million—and that is what we call rehabilitation and safety. What we have been doing is moving a higher percentage of dollars into rehabilitation and safety as our obligations to fund the major expansions in these major corridors are coming to an end over the next couple of years. That's our strategy. As we all know, we've had probably seven or eight or nine years of addressing needs for congestion and economic development corridors, and as those come to completion, our plan is to move a higher percentage of available dollars towards rehabilitation.

Mr Colle: So this is 200 million extra dollars you put into this year to rehabilitate?

Mr Oliver: No, that's the share of the capital dollars—

Mr Colle: So that was there before when Mr Pouliot was there.

Mr Oliver: That's correct.

Mr Colle: So there's nothing new been spent on the 60% deficiency?

Mr Oliver: We are working on moving more of the dollars that we call highway construction dollars to the actual work that's done on the road. We've been doing that progressively over the last five years. As to the percentage of money that's going into what we call precontract engineering, all of those steps one has to take before you have a contract to let, we are reducing those costs, we're streamlining our methods and our procedures, we're looking at new ways and means of cutting the costs of assuring the quality in the job, to get more dollars to go out on the road to actually be in the form of what we call payments to contractors for actual construction work.

Mr Colle: But essentially there has been no new money put into rehabilitation subsequent to the auditor's report pointing out this glaring deficiency in our roads?

Mr Oliver: In this current fiscal year, no.

Mr Davies: On that particular point, as Mr Colle knows, construction takes place after design and engineering. The minister gave us direction to begin making that shift, so that shift has already occurred in terms of the preconstruction work that has to be done. The priorities that have been identified from the minister's direction bring about a significant shift in the proportion of the contract money. The shift has already occurred with respect to the functions related to design and engineering so that we can be positioned, as soon as the construction season starts, to implement the minister's new direction.

Mr Oliver: I also add that in the context of the label for this approach or this program for refocusing, we are looking at all our contracts that are on the shelf for the coming years. They're being very closely scrutinized to be sure that wherever possible we focus only on the most

critical pavement and structural and safety deficiencies, and focusing on structures and pavement, which is of course the main issue in the auditor's report. That again is in line with the general label we give this of making sure we address the most critical deficiencies that need to be addressed in the short time period we face.

Mr Colle: Mr Minister, considering 60% of your roads are substandard, isn't it perhaps time to refocus your attentions in terms of taking care of the infrastructure and reinvesting in the infrastructure and perhaps diverting some moneys from your megaprojects into taking care of the 60% of the roads that are substandard?

Hon Mr Palladini: That is definitely our intent, but I really want to highlight that these roads have not deteriorated in the last eight months; these things have been going on over other years, obviously, but it is our intent. We do see the importance of our highways in terms of the contribution they make to our economic growth, but at the same time we are being responsible, because we have a process in place to see how quickly we can get at resurfacing and rehabilitating these roads. We know where we are. I just wish I had the billion dollars or the \$1.4 billion it would probably take to really do the job I would like to do, but we can't. Therefore, this government is committed to doing things in a fiscally responsible way but making sure we protect the infrastructure. That is our commitment to the people of Ontario.

Mr Colle: But as you're continually highlighting the major investment you're making in 407, shouldn't there be a parallel strategy as high profile—which has not been mentioned; I don't see any reference to a high-profile, almost emergency program to meet this really dangerous situation that exists on our highways. I don't see any kind of highlighting.

Hon Mr Palladini: Highway 407 is probably going to do as much good as \$150 million or \$200 million would do resurfacing a certain road. Highway 407 is going to take a lot of traffic that presently has no other choice but to take the 401, but because of the 407, it will actually give us an opportunity to be more fiscally responsible.

Mr Colle: I just can't see why there isn't an investment in that. In terms of 407, how many dollars is the government lending this consortium?

Hon Mr Palladini: I believe the official contract was \$930 million for the actual construction of 407.

Mr Colle: So when does the government start to reap the benefits and get a return on that?

Hon Mr Palladini: The sooner we open our highway and start collecting tolls, we can start paying our debt. If you want exact information, Mr Galange from OTCC will I'm sure be happy to share it with you.

Mr Colle: When does the taxpayer get back some of that money we're lending you?

Mr Galange: Maybe I can give you a very quick outline of how the financing is taking place on the 407, because the financing for the 407 has no impact on whether the government will have access to funds for other purposes. Do you want me to explain that?

Mr Colle: Are you going to explain off-book financing to me?

Mr Galange: No, it's nothing to do with off-book. The revenue stream on the 407 is adequate to allow

servicing of all the debt related to the costs of that project, including meeting all the operating costs. We will be approaching the rating agencies with that revenue stream, and we will be successful in having the rating agencies agree that the allocation of debt to that project will be rated as off-credit to the province. What that means is that it will not be taken into account as the province looks for other borrowing requirements. If the province is borrowing, let's say, \$1 billion to fund the 407, it would be rated as off-credit; that \$1 billion worth of funding will not be taken into account when the province wants to borrow another—

Mr Colle: You're saying off-book, basically.

Mr Galange: It is not off-book. "Off-book" means accounting. I'm talking about off-credit, how the credit rating agencies will regard that borrowing for the province. That means that project is completely self-sufficient and does not influence the ability of the government to have funds available for other projects.

Mr Colle: It's basically a separate borrowing, is what you're telling me.

Mr Galange: It's a separate borrowing that isn't being held against the government in terms of debt. It isn't being recognized as debt to the government.

Mr Colle: But the government is borrowing that money, right? I want to know, when does the taxpayer start to get that money back that it's borrowing?

Mr Galange: The money won't go back to the taxpayer; the money will be repaid to the lenders. The money will be repaid strictly out of the toll revenues of the project. The taxpayer is not involved in funding the project. What the taxpayer will receive is the benefits of the project in terms of decongesting the 401 and other arterials, and also the taxpayer will get the benefit of a congestion-free roadway and the highway to be handed back with no debt to it in approximately 25 to 26 years.

1730

Mr Colle: But this government really believes in the private sector doing things. Usually when you borrow money, there's a return for people who lend money. In other words, they do it for a return. Other than the predictions of decongestion, which haven't been proven out in other jurisdictions, where building one highway usually just leads to building more highways and more congestion—take, for example, the California situation—what is in it for the taxpayer monetarily, lending this \$930 million?

Mr Galange: The taxpayer isn't lending—

Mr Colle: How much money do they get? Do they get any kind of interest payment on that?

Mr Galange: The taxpayer isn't lending the money. The taxpayer is not taking the money and lending it.

Mr Colle: It's borrowing money on your behalf.

Mr Galange: The money is being borrowed from the financial institutions, and it is being completely serviced from the toll revenue of the project, and it is not being classified as government debt for purposes of government looking for other funding. The taxpayer isn't in the equation.

Mr Colle: Who is underwriting the borrowing?

Mr Galange: The toll revenues; the user of the highway who will be paying the toll revenues.

Mr Colle: What do you need the government for?

Mr Galange: The government is able to borrow at the most effective rate for us—

Mr Colle: That's what I'm saying.

Mr Galange:—and we will have the full benefit of having none of that borrowing regarded as government debt. I think that's a tremendous strategic financing position for the startup of the project.

Mr Colle: No, no. But I'm saying the government is borrowing on your behalf, so there will be all kinds of benefits to the private sector.

Mr Galange: There surely will.

Mr Colle: I'm asking you, what's the return on the government putting itself on the hook for \$930 million? Do we get 1%, 2%?

Mr Galange: The government is not putting itself on the hook for \$1 billion. The project's revenue stream is solid enough that the rating agencies are prepared to rate that debt as not being the equivalent of government debt. It will be the users of the highway that will be paying for it. The taxpayers overall will be receiving a finance-free highway in 25 years, and all the benefits of it over this duration.

Mr Colle: In 25 years, and then we'll pay for the maintenance. It will be part of the 60% of the roads that are substandard by that time, and then we'll get it. Sure.

Mr Galange: Provisions for rehabilitations are included in the ongoing cash requirements of the project, that would be self-supporting from the toll revenue stream.

Mr Colle: Just to get off the highway for a second—

The Chair: You've got about half a minute.

Mr Colle: Okay, I'll stay off the highway.

Mr Pouliot: My understanding—and I need your help; you'll correct me if I'm wrong—is that vis-à-vis the 407, the resolution at cabinet dedicates and talks only about the 407. That is my understanding. You cannot say we will use—maybe the same method, but not through the same resolution can you add on for other projects. This was a dedicated amount only for the 407. Were you at cabinet?

Mr Galange: I'm very sorry. I didn't appreciate the question.

Mr Pouliot: You mentioned the corporation using the convenience to raise money for additional projects.

Mr Galange: The OTCC, you mean? Yes.

Mr Pouliot: The motion at cabinet calls only for the 407 to do that—

Mr Galange: That's correct. That's the situation.

Mr Pouliot: So you would use the style—

Mr Galange: Yes. If another opportunity presented itself that we could finance and it would be self-sustaining, we would look at applying the same process.

Mr Pouliot: Grosso modo—I could be wrong—there are 21,000 kilometres or thereabouts of highways in Ontario, 3,000 bridges, about 136,000 kilometres of municipal, regional—well, city, big and small—roads. The Provincial Auditor says that 60% of the 21,000 kilometres of highways, and I would imagine the 3,000 bridges, are in a state of disrepair that warrants calling for immediate action. He doesn't catastrophize, that's not his role here, but he's saying that 60% are substandard and should be repaired.

I know it's difficult. You've raised your voice, Minister—it's a normal reaction; I can appreciate candour—with my colleague and with me also. I understand. It's probably because you see yourself—I know you can't say this—under a state of siege, that you were mugged at cabinet. The opposition is not us; the opposition is the people you sit with, and I guess you don't meet your best friend every five minutes. So I caution you to please, please—we want to keep you with us—exercise extreme caution with the company you keep, Minister. I know it's not easy.

Then you come on with some verbiage; you say nice things. I'm sure you mean them. I know you're not one who would fake things. You perspire sincerity, and we can see the perspiration. Oh, I guess if you can fake it, you can fake anything, because I'll tell you what: You have fewer dollars.

Engineers like to build things. By the way, you got a stall, madam. You've just skipped one fiscal year, courtesy of the very verbose and eloquent expertise at Transportation. And right after, we were reminded that before construction, there is design and engineering. Thank you for that; I feel better now. But now you're poised; you're like young tigers ready to pounce as soon as the snow goes.

Well, you're shying away from the truth. Simply put, when all is said and done, you don't have the dineros, you don't have the money to do what needs to be done. We can talk about the commitment. We can use words; dictionaries are full of them. But in real talk, in the real world, you just don't have the money to do what needs to be done, and what is a situation that should be ameliorated, that should be improved, will only deteriorate further. People will point their fingers at you and you'll have to answer.

They won't always be fair. People like blacktop; they like roads. It used to contribute to electing governments in the past. They spent a lot on their vehicle. You would know; in your other life, if you could shed a mask, you are an entrepreneur. I read about it in the paper. You sell cars. You provide employment. If people go to your establishment to buy a car, I'm sure they pay dearly for the excellent quality of the vehicle—I'm watching it now—they're about to purchase, so they want the good roads. They don't want to go back, even if it's a quality product with the intake, 32-valve system you sell your customers—

Mr Rollins: Yes, but they can handle the rough roads.

Mr Pouliot: I don't know; I'm not in that kind of product.

I was the Minister of Northern Development and Mines. Before that, I had been the Minister of Transportation. Once a year we used to get together officially—more often than that, of course—and we divvied up the money dedicated for highways. When I was at Transportation, I said, "Try to be equitable," and I was reminded through the good people we have—and they are very, very much this—that people tend not to preach for their parish. But it did not make me less sensitive to our special needs in the north. It's not because I have a tenure, a job, that I should turn my back on the needs of our riding. It's difficult. You have to be seen to be

equitable, but you're not going to be oblivious to the needs of your riding because you're the minister either. So try to be honourable, if you wish, and do things.

I had mentioned the need, as an MPP, of having the section between Beardmore and Longlac in the riding of Lake Nipigon. I had mentioned it when I was later on with Northern Development and Mines. Government had given it its acquiescence that yes, there will be some real work done.

1740

I don't want to tie it to the election, but I want to tie it to the construction season past. I wanted to see a shovel in the ground. There were no signs erected. I tried to find out and I was left at the local post offices apologizing, making excuses because I had said, and it had been confirmed, that the project was delivered for the road had deteriorated a lot faster than first anticipated and the plan therefore had to be revised.

I know there's nothing systematic and deliberate. You don't impute motives, but I said to myself, should I have the opportunity to represent the good people in the riding of Lake Nipigon, our very special part of Ontario, I will avail myself of that opportunity to do my job and it's to remind that I will be pushing for a timetable. The need is acute. It is recognized by everyone who drives the road.

Yes, now I preach for my parish and sometimes I wonder if I was forceful enough. I don't know what happened. I don't want to find out which ones don't do very well with me. I don't spell words such as "venetta," but sometimes I can't help but think that if no deception took place, if I wasn't lured, I acted with a lot more candour than I would. Again, I want to bring your attention to it and you don't see me coming with a shopping list. It's not fair, but this is a situation that needs to be addressed with promptness, as soon as possible, with a reasonable timetable.

I know things are difficult and everybody will come calling and your colleagues too, "We want to cut, cut, cut, but if it's for my riding, you can cut someplace else." That's always a dilemma that you have. We say cut, cut, cut, but when I was minister, the most, if not all, from time to time of the Conservatives and the Liberals would come calling, "Cut, cut, cut, but do something for my riding." I think it's a normal reaction. You have to blend the two.

I will be asking for an update. We had the worst storm in 40 years. No sooner are the standards being revised—my God, I got caught with the summer standards when they came calling and said "standards," I said: "Be careful. Be careful." I mean Harry Smith, the grader operator, versus the faculty of engineers—Harry Smith doesn't win because engineers are very forceful. They believe so strongly in their science and they like to build things and it was a commitment, Minister. Southeastern versus southwestern, whatever it takes, people build and build and build again.

No sooner had the minister yielded, succumbed to the winds of—I don't know. Maybe a covey of minions, but I can hardly imagine. It snowed; it snowed more than it had for 40 years in a short period of time, I could just see my good friend and I felt sad. I said maybe I should give the minister a call. Since it's me, maybe if I mention

my name, he maybe will call back. And it snowed and snowed, four days. The Trans-Canada Highway was shut.

Minister, it does something to a budget, quick time, big time, doesn't it? If you were with the Ministry of Northern Development and if they mentioned standards, half the forest would burn. The last thing in the world in our special part of Ontario that we need is anxiety. Anxiety leads to fear. Rumours take on an extraordinary proportion, you know?

Sir, at one time it would not have mattered how much money you would have spent. That's the tragedy of it, that people had become accustomed in relatively quick order, their mindset is that you were cutting the budget, that's why it took longer. So I want to say that we're very sensitive. We don't have alternatives. We travel long distance. You know our story. You've been there. You've lived it. We can put up with some because we don't have the density of traffic, but whoa, we need special attention when it comes to winter maintenance. It should be the last thing that is compromised. For as long as the sun shines and the river flows, there's going to be winter. It seems that there was far less snow now that I'm no longer the minister.

Mr Colle: Snow flies and the river freezes.

Mr Pouliot: The river flows, the river flows. It's an Ojibway legend.

So I'll be asking for an update because my constituents are asking what happened during the big storm. How much money was spent? Because we know that the patrols, people we talked to—we listened to people. They don't patrol as much and they have a longer time, more kilometres to look after. That's the reality of life.

We know that the number of sanders and salt spreaders, if you wish, has been diminished. We know that some staff were axed, were told to go home, that they were no longer required. So their paycheques ceased, and with that their expertise and with that the protection of taxpayers.

Just a few comments on these. Tomorrow I will talk about the great world of deregulation, when the money

keeps rolling in and the free-for-all. Accountants get in the way, Mr Minister. Figures slow things down.

I will remind you of some comments vis-à-vis the transport board. You know it was not a whim. The board has been there for some years. We did not invent or unduly perpetuate the board. And now they're gone. Now they're no longer there. Now if you go for public necessity and convenience, you grab a number and you wait and you wait, and the public is not being served.

We'll remind you about the history of our country through regulation, that it's there for a purpose, that the have-nots, the more remote, the small, the villages cannot be thrown to an open market without some guarantees, because we will be forgotten, or the price will be so much that we will not be able to afford the service. And we too are Ontarians. If you wish to adopt a different style, so be it, but by the same token we pay taxes for those services too. I know it's quite a challenge. In some cases with respect to the free enterprise system, it cannot pick up the slack. It's not their role.

There's nothing wrong with being profit-motivated. I'm a socialist. I wish everyone to be rich. There's nothing wrong with making a dollar, but there's something wrong when equity ceases to exist, when we're good to send the gold, and that's okay, we get paid for that. We extract our resources, we export our sons and daughters and as a grand finale we export ourselves, but there has to be a bit of a tradeoff. We too developed the resources. We too contribute. Part of the tradeoff is to have our share of returns to transportation.

I will waive; we have about five minutes. So tomorrow I will be talking on behalf of our party about deregulation. There will be some of our brothers and sisters and they will pay you the compliment of their visit, Mr Minister and Mr Chairman.

The Chair: Then the committee stands adjourned until 9 o'clock tomorrow. We have completed four and a half hours of estimates.

The committee adjourned at 1751.

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**In attendance / présents*

Substitutions present / Membres remplaçants présents:

Preston, Peter (Brant-Haldimand PC) for Mr Jim Brown

Also taking part / Autre participants et participantes:

Pouliot, Gilles (Lake Nipigon / Lac Nipigon ND)

Marland, Margaret (Mississauga South / -Sud PC)

Colle, Mike (Oakwood L)

Clerk pro tem / Greffier par intérim: Decker, Todd

Staff / Personnel:

Poelking, Steve; Yeager, Lewis; Richmond, Jerry, research officers, Legislative Research Service

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Mercredi 14 février 1996

**Standing committee on
estimates**

**Comité permanent des
budgets des dépenses**

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 14 February 1996

Mercredi 14 février 1996

The committee met at 0902 in committee room 1.

MINISTRY OF TRANSPORTATION

The Acting Chair (Mr John Cleary): Good morning. We've got a member from each caucus here, so we're going to start. It's the governing party's turn for half an hour.

Mr Morley Kells (Etobicoke-Lakeshore): Good morning. Apparently I'm on first. I'm actually looking at the minister, Mr Chair, but he's chatting away there.

Hon Al Palladini (Minister of Transportation): Good morning.

Mr Kells: Good morning. It is my great good fortune to have the QEW cut through the middle of my riding. I don't know whether I'm the end of the QEW or the start, but it comes through Etobicoke-Lakeshore and meets the Gardiner. I'm sure, Minister, you're well aware that there have been some reports in the local media concerning Metropolitan Toronto taking over some responsibility for that section of the QEW. I know you've talked about it in our caucus, but just for the record, can you give me some background? Should this matter come up again involving Metro councillors, I'd like to be able to have a way to respond. What is the rationale, what is the situation involving maintenance and care of that very busy piece of road?

Hon Mr Palladini: Thank you very much for the question. I certainly appreciate the opportunity to share with you all the information we have. But before I turn it over to Ian Oliver so he can give you the full details of how this transfer is going to work, I certainly would like to share with you the ministry's vision as far as defining what is a provincial highway and what are the present so-called provincial highways that no longer serve the purpose of a provincial highway.

This is basically the strategy that we feel has to be adopted. The province cannot keep supporting so-called provincial highways today that don't serve that purpose. We feel we'd like to take that money into using it for provincial highways that serve that purpose as provincial highways. The province does have responsibility in making sure there is an adequate highway system for economic growth and moving people around and so on. But at the same time, if there are alternate routes, we feel that we should not be supporting present highways that we've identified because of the fact that there is an alternate highway that we built or constructed that people are utilizing. So at this time I would like to ask Ian Oliver, and he can basically tell you how we arrived at—unless you have another question.

Mr Kells: Yes, and I appreciate and am looking forward to what the gentleman has to say. But having just

heard you explain that, I understand, for example in a community like Etobicoke, where you're building the 427 and our old 27 becomes almost a parallel service road, if you will, and that rationale I certainly can understand off the top. Maybe it doesn't wash as well with the people in north Etobicoke, but at least I understand what you're talking about.

We're fortunate enough in Etobicoke to have a service road along the south side of it coming through the riding, but the rationale—I'm going to wait and listen before I ask some more questions. The QEW is not a road, in my mind, that could ever be described as something that leaves the province's mighty jurisdiction and somehow becomes something that Metropolitan Toronto could handle with any justification and cost. But anyway, maybe that's not what you're saying. Let's listen to what the gentleman has to say and then I'll ask him some questions after that.

Hon Mr Palladini: You're talking about the Queen Elizabeth. Just let me add for you some of our thoughts. Certainly, the Queen Elizabeth Way is a major artery to come into the city of Toronto, but it isn't an artery that the provincial government basically should be any longer fully responsible for, because we do have an alternate route. We have 427, we have the 401 and we have the 403, so people are basically using this particular artery to a certain point and then diverting from that and going through Toronto, not actually stopping in Toronto. So there's also that consideration that I feel we must give, that it is no longer a provincial highway serving strictly as a provincial highway. Those are I guess the thoughts we've given to some of those highway transfers.

Mr Kells: I don't want to be argumentative, but if I'm going to the dome, I don't know how in hell, coming from Hamilton or Niagara Falls, I'm going to get to that dome unless I come down that QEW.

Hon Mr Palladini: Yes, but this is what I'm saying. You're going to Metropolitan Toronto.

Interjection: That's the point.

Mr Kells: I don't know if that's the point or not. I'll arrive at my own points, thank you.

Hon Mr Palladini: But it's serving a municipal service, and that's exactly the point: It is serving a municipal service. Should this province be supplying roads to go strictly into the Metropolitan Toronto area? I think our responsibility as a government is that we have to have arteries in place that are going to be in the best economic sense, but it's not our responsibility to supply municipal roads to get into the city. This is the point that we hope people are going to realize.

In any case, Ian, would you be so kind as to share?

Mr Kells: I'll be back to that subject.

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Mr Ian Oliver: My name is Ian Oliver. I'm the acting assistant deputy minister of operations, Ministry of Transportation. To amplify a little bit the point the minister was making about the QEW, we're talking only about the section from the 427 in. I think one way we're looking at roads like the QEW in areas like Metropolitan Toronto that have been very highly urbanized over the last 20 or 30 years is that the function of those kinds of roads has shifted. At one time, there would be no doubt that the QEW was providing predominantly an intercity function and was therefore, and rightly so, a provincial highway. It was developed by the province of Ontario with that in mind. But over time, as regions like Metro Toronto and the greater Toronto area develop, the function of these roads changes and in fact that piece of QEW is predominantly a regional-level function, predominantly commuter traffic. There is no doubt intercity traffic on there, a certain percentage of the traffic one could call provincial traffic, coming from beyond the GTA either destined for or going through Toronto.

That's the kind of shift in role of these roads that we're looking at, and are the purposes of the road better served by being within the jurisdiction of a more local road agency? There are things beyond just being concerned about the upkeep of the road. There's the ongoing daily operation of that road as part of a network serving more commuter traffic; in that sense, it's more like the Don Valley Parkway and the Gardiner Expressway. There's the whole issue of, what is the appropriate jurisdiction to look after things that have to do with development adjacent to the road? Under the current jurisdiction, the ministry, in fact the minister himself controls the development, so anything the local municipalities or the developers want to do in the areas adjacent to that road and its interchanges has to have ministerial approval. A lot of people get involved in those applications for land use changes or development or signs or other forms of permits.

The feeling is that when a road is serving primarily a local or regional function, not only should the road be under the jurisdiction of another agency but also all those things that go with administering the planning and development of the area around that road. There is a number of factors involved there, and those could be in the way of benefits to the municipality. The municipality then has the jurisdiction over those decisions and can—

Mr Gilles Pouliot (Lake Nipigon): But they don't want it.

Mr Oliver: Well, in some cases they do, because there are distinct development benefits to them of being able to administer that road and the control of the development around the road in their own terms rather than according to our guidelines and principles.

Mr Kells: I certainly didn't start out to get into an argument about this, but I'm starting to get interested. Do you have any figures, Mr Oliver, that show what percentage of the traffic comes off the south service slideoff and into my area from Islington or Kipling or Browns Line, as opposed to the percentage that's coming down your normal provincial roads, the QEW, the 427? If you're telling me that's a predominantly local use road now, I

have great difficulty with that. Just tell me the figures if you have them, please.

Mr Oliver: I do not have the precise figures, but the point I was trying to make was that in relative terms, the percentage of true provincial traffic is very low compared to the other components of the traffic which are what you would call regional. I don't mean local in the sense of Etobicoke or the city of Toronto. I mean regional commuter traffic: GTA, Metro Toronto origins and destinations that happen on a daily basis because they're essentially commuter traffic. But we can get the figures.

Mr Kells: Okay, let me try it again. Maybe I'm missing something here, but has there been a great debate—the minister might want to answer this—within the walls of the Ministry of Transportation that all of a sudden within the GTA are we evolving into a new class of responsibility; in other words, that people who live in the GTA must be responsible for these arteries that normally, in my time, were always considered provincial highways? What are we on here? You're talking about, I bet you, three miles of road, and I don't know what you're going to save. It's the same taxpayer. Here we are looking at what to do in the GTA with provincial governments, and we're talking about GTA councils, according to Golden, we're talking about integration of transit and transportation. I'm trying in my mind to get this all boiled down to this three or four miles of the QEW. Is there some debate taking place?

Hon Mr Palladini: I don't know if I can really satisfy you with my answer, but I'm going to attempt it. I certainly feel that this government is committed to providing the people of Ontario with the best possible and safest highways in North America. But we have to do exactly that, define what is a highway, what is the government responsible for delivering.

As far as the transfer of a portion of the QE, just picture—how do you see the Don Valley as a function? How do you see the Gardiner as a function? Because what we're talking about basically is something very similar to the Don Valley. The Don Valley was born in that manner. The QE was not because it was clearly a provincial highway.

But now, because of the other arteries that have developed it doesn't really serve the main purpose as a provincial highway, so we should not be the providers of that particular section because we do have alternative routes. I don't think that we're being harsh or downloading to the municipalities in this regard because of the fact that we do have other arteries.

But the most important thing, what Mr Oliver did say, is that right now the ministry is constantly being asked by the municipalities for accesses. We're going to give it to you, now you decide, you want to do what you want to do.

Mr Kells: My point is this: I'm not convinced in any way that Metropolitan Toronto's maintenance crew or the government of Metropolitan Toronto has any more expertise or even as good expertise as you have had in maintaining and looking after that piece of highway. I don't know if your answers are somewhat rhetorical when you say you're not downloading on the municipalities. All I'm saying is that my constituents really don't care—

as a matter of fact, I really don't care—as long as the place is looked after properly and safely.

I don't quite understand the comparison to the Don Valley. I know what you're talking about, but historically it's a far different situation—but if you're going to transfer it over, I don't know, do you save money? Do we become more efficient? Do we become less efficient? Is it just a matter of tidying up the network around the GTA? I don't know.

I do know—this would be if I was starting this thing off again—I'd talk about the fact that in the last few years I've noticed how deplorable the maintenance along there is. In other words, if some guy goes through the guardrail just before the Gardiner, that guardrail stays pretty bashed up for a long time, and the fenders and the paraphernalia off the various cars lay around there.

I always thought, from a public relations point of view, that the people in the United States, not quite knowing whether it's provincial responsibility or Metro's to look after that, it looks like hell when you come into the city of Toronto. I never thought I'd be lucky enough to be sitting here today to ask about it, but it's been bothering me for a number of years.

I suspect your maintenance people, because it's so busy, nobody likes to do work in the middle of that kind of traffic and maybe that's why the place never gets cleaned up. I thought maybe it was because—well, I don't want to get into parochial arguments, but the point is that it is an area, from a sight point of view anyway, that's neglected. I'm not talking about from a safety point of view.

Now we're talking about transferring it over, and if I was an opposition MPP, I'd ask you to guarantee me that once you transfer it over it's going to be looked after as well and the safety factors are going to be guaranteed, and my constituents and all the taxpayers are going to feel much better about this transfer.

Where does it stop? At what point does the QEW start to become such an urban road—Mississauga should then take over their piece and then we'd be at Burlington. We could just keep moving on down the QEW. Anyway, I really didn't mean to get in to that much. I just don't quite understand the rationale for it.

Mr Peter Preston (Brant-Haldimand): Along the same lines, there are some provincial roads being turned over to the municipalities in my riding. It's my understanding that there's a fund to bring these roads up to standards. Is that correct?

Hon Mr Palladini: That's correct.

Mr Preston: All right. Can you tell me how much the fund is, how much it has been dipped into already, what's left over and how do we access it? I want some.

Hon Mr Palladini: I'm going to ask Carl Vervoort, one of our ADMs, to go through the plan and share with you exactly how it does work. The one thing, before I turn over to Carl, I want to say is that we are going to be doing this in a very orderly fashion and we will be treating every municipality or every highway transfer on an individual base. So it's not just, here, they're all gone. That's not the case. It will be done in a very orderly fashion.

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Mr Carl Vervoort: Yesterday we talked about the existence of a \$100-million transition fund. Part of that transition fund includes \$50 million over two years, \$25 million this coming fiscal year and in the subsequent fiscal year, that will be set aside to compensate municipalities, to recognize the transfers that we are talking about.

The \$50 million over those two years will recognize a number of features associated with the transfer of candidates: First, the condition, the capital requirements and capital investments associated with the highway; second, some maintenance features associated with the highway; and third, a recognition that, depending on the municipality and the number of kilometres of roads proposed to be transferred, there is an adjustment made to recognize if there is a particularly significant number of kilometres relative to the base number of kilometres that particular jurisdiction has.

All three factors will be components in making an adjustment through the course of discussions and negotiations with individual municipalities. I guess that would be my final point. There will be discussions and negotiations and, hopefully in all cases, a win-win agreement can be concluded between the ministry and the municipality for the transfers.

Mr Preston: The particular road I have in mind, while we're saying it is not a provincial highway, is a provincial highway, and I'm not arguing that it shouldn't be turned over to municipalities. It's the link between Buffalo and Windsor that the truckers and people use. It's not the big highway that is there to be used, it's the link that is used. The four-lane at Port Colborne, they siphon off on to Highway 3, then they go down to Grand River into Brantford and hit the 403 and go west, so it is actually a heavily travelled provincial use, now a municipal road. Does the use have anything to do with the priority of upgrading before they're turned over? Who gets to go first?

Mr Vervoort: There is no first-come, first-served notion. This is intended that all municipalities will be dealt with equally. There is no sense that some roads are more urgent than others. They're all equally important from our perspective in the negotiations for transfer, so there is no desire on our part to establish a priority. Each negotiation will follow a natural course. Some will conclude earlier than others, and we hope most will conclude positively. I cannot speak to the specific route you're talking about at this time, but I can endeavour to respond to you later in the course of the estimates if you so desire.

Mr Preston: No, that's not necessary. How does it work? Flip a coin, put a name in a hat? What happens?

Mr Vervoort: All of the negotiations are ongoing. They're all ongoing concurrently. They're being done through our district and regional offices throughout the province. In fact in many cases discussions about potential transfers have been ongoing for many, many years on most of the more significant and heavily travelled highways for many years.

I draw attention to some in particular: Highway 7 across the top of Metro; Highway 27 within Metropolitan

Toronto, north of Metro Toronto; Highway 16 in Ottawa; Highway 2 through almost all of its length from Windsor to the eastern border. Those highways have typically been recognized by the municipalities as routes that have been paralleled by major freeways and therefore there has always been a recognition perhaps that they should be moved to the local municipality. So there have been, in most cases, discussions ongoing for several years.

Mr Preston: So if I find nothing going on in my area, I get the route superintendent to call our regional office. Is that right?

Mr Vervoort: That would be correct. If they had not yet begun to have a discussion on how the transfer might be affected, that would be the place to start.

Mrs Lillian Ross (Hamilton West): I'm not sure who to ask this question to, but I'll try the minister. Can you tell me the difference between the municipal roads and the provincial roads with respect to materials that go into those roads? Are the standards different?

Hon Mr Palladini: I don't believe they are, but I'm going to have Carl tell you exactly.

Mr Vervoort: When you talk of standards, I presume you mean engineering standards, road width? Yes, there are. In highway and road design, there is a series of design standards that change depending on the designation of the road. Roads are generally classified. Perhaps to start out on the municipal level, you can imagine a local road would be a road that would be on the inside of a subdivision. Then there are collector roads to which several roads would be connected. Collector roads in turn are connected to arterials, and arterials are connected to freeways.

So there is a kind of hierarchy of roads in the surface transportation system, and each one of those categories of roads has associated with it a set of design standards. Typically those design standards have to do with both operating speed and the rural or urban nature of the road facility. Again typically the more rural and higher speed the facility is the greater would be the geometrics, the horizontal and vertical curves that would be in place, and the more likely you would find things like open ditches and wide rights of way as opposed to the more urban roads, which typically you would find to be narrower, with curves and gutters, sidewalks and illumination. So there's a whole range of features that are determined by the classification of the road.

Mrs Ross: I guess everybody's going to talk about their own area, but in my area we have two roads, Highway 53 and Highway 8. Both of them are provincial roads and are being turned over to the municipality. The reason I'm asking is, the roads are already there, the standards for those roads are already there. What happens when those roads go from a provincial standard down to a municipal standard?

Mr Vervoort: The determination of what classification the road would take on within the municipal network would be a decision of the municipality. My expectation is that in most cases a transferred highway would become part of and assume the characteristics and design criteria associated with arterial roads for that regional municipality. In the case of the roads you mentioned, I expect they

would assume the highest classification within the municipal road network classification system.

The determination as to whether or not, therefore, there would have to be any modifications to the road itself would be a matter of the longer-term capital planning decision of the municipality. I expect in almost all cases the simple change in jurisdiction would not in and of itself require any modification of the road or the road characteristics or the road geometry.

Mrs Ross: This transition fund, this \$100 million, I assume, and I could be wrong in this, is it not so that when the roads are transferred to the municipality those roads could be brought up to certain standards when they're handed over? Is that right?

Mr Vervoort: That's correct. I just want to clarify. The \$100 million is a transition fund for the coming fiscal year, of which there is \$25 million dedicated for highway transfers. There's a subsequent \$25 million in the subsequent year, which would be 1997-98. So there's a total of \$50 million dedicated for support of the highway transfers.

That amount of money is intended to recognize, as I indicated earlier, several parameters. The first parameter is the condition of the road and the need to make some investments in that road, and it would also be done recognizing the degree of investment that this ministry would have been making in those roads over the course of the next several years as well.

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Part of the investment will be for the capital needs of the road. The other part will be for the recognition of the impact on the maintenance costs associated with those roads. As I said, thirdly, there's a recognition that, depending on the municipalities, the number of kilometres of roads that would be received might be greater or less in proportion to the overall size of the existing network of that municipality, and there would be a recognition if there's a significant amount of roads being transferred relative to the number of roads that the municipality already has.

The moneys that would be determined through the process of the negotiation that I described earlier would establish a quantum of money associated with that particular set of highways and that amount of money would be transferred to the municipalities. It's our assumption that thereafter what actually happens on the road is entirely up to the municipalities. So if they actually invest in a road or not, that would be up to them to decide. But essentially it is to recognize the three factors that I spoke to.

Mrs Ross: When a road is transferred over to a municipality, and you're saying it's up to the municipality as to how it wants to maintain that road, and how much money it wants to spend on it, does that mean there are no guidelines in place with respect to municipalities and how they operate their roads?

Mr Vervoort: Most municipalities have very comprehensive standards for both their capital investments in their municipal roads as well as standards for their operation and maintenance. This is not new to them and it's not new to the field of transportation management.

Most municipalities, and in particular the regional municipalities, have a very sophisticated engineering and

operational management capacity to address those new highways, and they're no different really in character from an engineering and materials and a pavement point of view, hydrology, structures and all the rest. It's identical science that is applied to the municipal roads themselves. There's no distinctiveness associated with the provincial highways that would not be within the technical capability of the municipal engineering and operational staff.

The Chair (Mr Alvin Curling): Mr Colle.

Mr Kells: Do we have more time?

The Chair: You'll have more time as it comes around, the next hour.

Mr Mike Colle (Oakwood): What goes around comes around, Morley.

The question is in regard to the one I raised yesterday. With 60% of our roads in Ontario being substandard, this offloading of roads on to the municipalities even becomes more of an acute question. In other words, I think all of us should be allowed to look at this list to see how many and which roads are being offloaded to the municipalities and how many of these roads are in the substandard category. I wonder if you could get that list to the committee. Do you have it with you?

Mr Vervoort: No, I do not have such a list with me.

Mr Colle: The ones you're going to offload on to the municipalities—you must have that list. You already announced it to the municipalities.

Mr Vervoort: First of all, no, I do not have the list. The minister has not yet formally announced the specifics to each of the municipalities with respect to the particular roads that are transfers.

Mr Colle: My understanding is that he has, that each municipality's been informed on the roads that are going to be offloaded.

Hon Mr Palladini: If I may, I believe, Mr Colle, you would certainly have an opportunity to question the list of the possible transfers at next year's hearings. Nothing has been determined. This is something that we are in the process of doing, and whatever transfers are going to be taking place, I would like to make it specifically very clear that nothing is going to happen until April 1997. We don't have any information that we could share with you at this time so we may be able to get some input. But next year, like I said, you will have that opportunity.

Mr Colle: I find that strange, Minister, because the municipalities have been told which roads are going to be offloaded. How come, as a member of the opposition, the Transportation critic, I can't get a hold of that same list that you've shared with municipalities? That's all I'm asking for: Give us the list of roads that are under discussion.

Hon Mr Palladini: Mr Colle, I believe Mr Vervoort has said that this has been an ongoing thing; it isn't something the Progressive Conservative Party has started. As far as discussions with the municipalities, yes, you're right, there have been discussions but we have not determined the extent of the transfers, so nothing has been finalized. What information could I share with this committee when it has not been finalized? But, like I said, next year you will be able to have that opportunity.

Mr Colle: Minister, this impacts on your estimates here, because you've got 60% of the roads that are substandard. You're going to be offloading some of these roads in municipalities. All I'm asking for is this list that you've already given to the municipalities. Why, as a member of the opposition, I can't have the same courtesy—of these lists that you're going to turn over to the municipalities—

Hon Mr Palladini: Mr Chairman, I don't know where Mr Colle is getting this information that we have given the municipalities a list. To my recollection, nothing has been given to the municipalities other than conversation. Nothing has gone out officially notifying them of any transfers, so I don't know what list you are referring to.

Mr Colle: Mr Vervoort's already mentioned the highways. He's mentioned Highway 2. Metro's been told it's Highway 2; it's the Queensway. They've been told already—27. It's been in the newspapers. It's been debated at local councils already. I'm asking you out of courtesy, let's see this list. Why are you trying to hide it?

Hon Mr Palladini: There have only been discussions. There has not been given any official word of the transfers. Like I said, when we do finalize that list—the transfers are not going to take place until April 1997, but as of this morning, as of this moment, there is no finalization to any of the transfers.

Mr Colle: This is incredible that the minister will not share information that he's already shared with the municipalities. This is incredible. I guess I'm going to have to go under the freedom of information act to get this list, but I guess I'm going to have to pay for it now.

The other question is—and, as you know, Minister, the other thing that's happening is that regional government is being eliminated, especially in the GTA here. What's going to happen to these roads like Highway 2, the Queen Elizabeth Way, when you download, and these highways, which were provincial highways, go through three or four different cities? How are you going to decide who's going to be paying for what—maintenance or repair, sharing the costs—since right now that is a regional responsibility and a provincial responsibility? So you've got no provincial responsibility, no regional responsibility. How are you going to stop the city of Etobicoke from saying, "We won't pay for the rehabilitation of the Queensway," and how are you going to stop the city of Toronto from doing that?

The other thing, Minister, that you have to consider here is that there's this fund; I think he said \$100 million. I know that Metro's already stated—the director of transportation, Doug Floyd—and Metro's already told you that it'll take \$50 million to bring the Queen Elizabeth Way up to scratch, not to mention what it might cost to bring Highway 2 up to scratch. Where is the money going to come from, since municipalities right now can't pay for the roads they have? Over 50% of the roads in Metro under municipal jurisdiction are substandard. They can't take care of what they've got. Now you're going to ask them to take care of Highway 27, Highway 2, the Queen Elizabeth Way on top of that. How are they going to fund this extra cost that's going to be downloaded and how are you going to maintain any kind of continuity of standard when you're going to have four or five cities

involved in the maintenance, in the upkeep, everything from what you do in terms of rebuilding, resurfacing, guardrails? Who's going to pay for this, Minister?
0940

Hon Mr Palladini: Thank you for the opportunity to be able to share with you at least some of my thoughts of how the maintenance aspect could eventually take place. Obviously, it is this government's intention to work with the municipalities and give the municipalities a lot more autonomy. Possibly, if there are multiple transfers, in other words, multiple municipalities that we see today, it might even become cheaper because two or three municipalities, as you referred to, could be able to in fact get together and maintain a certain portion of the highway at a much cheaper rate than it was actually costing the province of Ontario. So there are some benefits that could actually evolve from that.

As far as the standards of these highways, I'd be more than happy to get you the exact information, because I am not as knowledgeable as Carl is. But certainly he can tell you how the standards would work.

Mr Colle: What I'd like from Carl is a list of these highways that he won't share with us, that's what I'd like from him, so we'd know how much money the municipalities will have to put aside, because you can't repair, rebuild highways over a one- or two-year period. That's why it's essential to get this information out there right away, so they could start to plan in their capital budgets to invest in these roads that you're going to offload on them, not to do it at the last second before they have an idea of the impact on the budget and the impact on the provincial budget.

Especially I think you should let the municipalities know which of these highways you're offloading are in a substandard condition, as earmarked by the Provincial Auditor. You should at least have the courtesy to let the municipalities know which of these highways are going to have to take millions of dollars to rebuild, so at least this so-called transition fund is not just going to be some token attempt to say, "Well, we're giving you some money," because the \$100 million looks like a lot of money, but you start looking at this list of where it's going to have to go across Ontario and that \$100 million will dissipate pretty quickly. That's why I think what this committee needs is a list of these roads and which of these roads are substandard before we go any further.

Hon Mr Palladini: I'm going to try to say it again, possibly a little bit clearer. There have been ongoing discussions with the municipalities, letting them know that we would be getting together with them once we identified the highways that we are looking to transfer. There has not been any decision made on that. Municipalities do not have a list of the transfers that we are taking a look at. If the transfers do occur, they're not going to happen until 1997. I thought we were here to talk about 1995-96, not something that's going to happen in 1996-97. This is what I thought this committee was going to be questioning, not the future, but what in fact happened last year.

Mr Colle: Just in conclusion, what we're talking about here is 60% of the roads in this province are substandard. You're about to offload these roads. So we're talking

about the present and the past and how to rectify that situation.

Mr John C. Cleary (Cornwall): I want to come back to the same thing, because there are a lot of questions. You say you've been consulting, and we've heard that word in this committee, consulting, consulting, but yet in the election campaign we heard what you were going to do. But anyway, this \$100 million and \$50 million that you're talking about is a real joke, because we've got highways starting at the Quebec border right through all of Ontario that were built for horse-and-buggy days. There's been no maintenance, there's been no drainage, the shoulders are narrow. I just don't understand where you're coming from.

The Chair: One second. Will you just keep the conversation down a bit so I can hear.

Mr Cleary: My question is, are you looking at turning those roads back to the county system or to the municipalities?

Hon Mr Palladini: I'm sorry, Mr Cleary, I didn't quite understand. As far as the actual transfer is concerned, we're talking about transferring provincial highways that presently are serving provincial use but there is an alternative route, a main artery, which is actually serving that use. The ones we are going to be transferring have become basically secondary highways, and that's why we are referring to them as municipal roads. If you are addressing one of those roads, yes, it most likely would be transferred to the municipality. If there is an alternative route besides the one that you're talking about, or the main route and this has become an alternative route, it will be transferred.

Mr Cleary: What I'm trying to get at is, if you transfer them to the county system, the provincial funding for the upkeep is different than to the municipality. That's what I'm trying to find out. This province is full of county government. Will those roads go back to what's left of county government or will they go back to the municipalities?

Hon Mr Palladini: Carl, would you explain that for Mr Cleary, please?

Mr Vervoort: Yes, Minister. The intention generally is to have discussions with the upper-tier municipalities in the first instance. In the area around the GTA, that of course typically means regional levels of government. In the areas where there are no regional levels of government, we would expect that in the first instance with most of those transfers we would enter into discussions with the counties, with the exception perhaps that if the piece of road is within an urban area or adjacent to an urban area, there might be some consideration for the local municipality receiving the road.

Going back to the earlier comments, the eventual recipient of that is something that we're prepared to make part of the deliberations. In respect to the general categorizations of roads that I outlined in response to the question from Member Ross, we can normally expect that the highways that are being transferred would go to the upper-tier municipalities. That's the general rule, but it's not an absolute rule.

Mr Cleary: Okay, my next question: Are those roads, before they're transferred back, going to be brought up to

today's standards for a county government or municipality, or are they just going to dip into this fund?

Mr Vervoort: At this time, there's not an intention to actually reconstruct or resurface any of the candidates but instead to rely on the \$50-million fund to compensate municipalities to recognize for the road needs.

Mr Cleary: I cannot believe what I'm hearing, because I was involved in Jim Snow's day on a road to bypass a terrible provincial highway that cost almost \$3 million across one municipality and a little section of another. So your \$50 million or your \$100 million, I'm telling you, I can't believe it. Anyway, that's the way it is.

The other thing I want to ask is, once they're transferred back there, for maintenance purposes what percentage of funding will that municipality get? If it goes to the county system, will they get 80% on some of their costs from the province, will they get 50%? What will happen there?

Mr Vervoort: At the time the road becomes part of the municipal network, it will receive funding in the same way all other roads within the municipal network will receive support, and that is through the new unconditional grants through the Ministry of Municipal Affairs and Housing. There will be no ongoing financial subsidy from the Ministry of Transportation for municipal roads. That was specifically the move from a set of conditional subsidies administered by the Ministry of Transportation to a set of unconditional grants administered by the Ministry of Municipal Affairs and Housing. Those roads would simply be part of that new unconditional grant program.

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Mr Cleary: I don't know, I've been involved in this stuff for a long time, and I cannot understand a government wanting to give a 30% tax break and then wanting to download on the municipalities in this way. It's unreal.

The other thing that I want to get around to is—I'm just coming down my list because I've got lots of stuff here—potholes on provincial highways: the 401, no wonder wheels fly off. I could take you for a run down to the Quebec border and there are potholes six inches deep, because I measured them. That big around; if that wouldn't knock the wheels off anything. You have no men who at least throw something in those holes, or do we have to wait for workfare?

Hon Mr Palladini: I'm supposed to have an answer now, right? I guess all the deterioration of our highways is because the Progressive Conservative government has been in power for the last eight months, so all the problems that we've got—

Mr Cleary: I'm not saying that.

Hon Mr Palladini: Anyway, Mr Cleary, I do appreciate the question, and I also relate to the situation that is at hand as far as the infrastructure is concerned, and I couldn't agree with you more that we must shift more money.

I basically would like to go back to yesterday and my opening statement, where Mr Colle basically said that he would like us to build subways and still maintain the infrastructure, but he basically said that I have not addressed the problem of repairing the infrastructure. I

would like the opportunity to re-read something of what I said yesterday. For example, we are concentrating on the rehabilitation and maintenance of our highways now. The longer you go without doing this kind of routine work, the more it will cost you to maintain roads in the long term. With our approach we can avoid having to rebuild completely in the future.

Mr Cleary, my answer to you is, yes, we are shifting more money into rehabilitation and hopefully we could do a much better job. I've got Mr Oliver here and he'd be very happy to tell you exactly what we are going to be doing.

Mr Oliver: I guess we're talking about a general situation when we keep referring to the auditor's report, and based on our own analysis and our own ongoing knowledge of the overall condition of the highway system, and 60% of the highways being in the category that is not desirable. We're also talking about very specific conditions that happen on individual sections of road across the province at particular times of the year.

I'm not sure about where the potholes in 401 fit into this overall, whether they're part of the general deterioration pattern. They could well be. There are sections of 401 which we are very concerned about and we are programming the work to rehabilitate-resurface those areas, or reconstruct, as required. There are other pieces of the highway system, particularly where we have sudden changes in temperature and moisture content such as we have in the winter period, and where we have heavy truck traffic, where things happen very suddenly. We can't predict it.

Based on our assessment of that piece of highway, it doesn't look like that pavement will need rehabilitation for perhaps two to three to four to five years, and suddenly things happen. These potholes you're describing could be of the kind we call a delamination, where actually a big section of the top course of asphalt literally separates from the course below it and gets pushed off to the side, as it were, as rubble.

I'm not sure what you're talking about. If they are potholes that occur on the deterioration curve, as we call it, the crews get out there as quickly as they can to patch those potholes. In the cold, damp weather we have, we're not 100% successful in getting the material to stick. They get it in there, it stays for a while, and then it comes out again. I think we all know the problems with dealing with asphalt materials in cold weather.

The other thing is that if it is of the more significant type of problem where we're getting delamination and a sudden failure in the pavement, the pavement structure itself, then what we have to do is go in there and mill that whole section off, perhaps a half-kilometre of it or whatever, and actually do a new lift of pavement. The most we can do, if it's a serious safety problem, is get out there and mill it, and we hesitate to do that because we can't do the paving until the warm weather.

That's how we deal with these things. We do get on top of them as quickly as we can, given the weather conditions, and we have had a lot of that in recent years on the 400-series highway where we've had delamination.

Mr Cleary: I understand that, yes. Minister, I wasn't pointing a finger at you, and I know you just came into

government, but we would like to have a little bit of input into some of the things you're going to do. My colleague to the left can't get off scot-free. They were talking about the potholes in the roads and everything and that's been going on for several years, and the flying truck tires have been going on for years too, because I had to try like hang to keep ahead of one. Two years ago, a transport passed me, it bounced off and run right alongside the car. They've been flying off all along.

The other thing I want to get around to, and you would say we're talking about last year's estimates and all this, but I just want to know what your plans are for the future for maintenance: weeds, grass, brush higher than transports, or as high as cars in most places. Are you going to get back to mowing? Is there anything you're going to do? Are we going to get a bunch of gobbledegook like we got at the convention a while ago from the former government, that you had to leave that for the insects to have a place? What do you plan on doing?

Hon Mr Palladini: Thank you for the question, Mr Cleary. I'm really happy to say to you that one of the very first things I discussed with our staff when I was appointed Minister of Transportation was exactly the sentiment you just expressed. It's very important to me as well that our highway shoulders are clean and neat, the way I remember Ontario. Ontario used to be the cream of the crop, so to speak, and the last few years it certainly has not shown that.

I would like to share this information with you, but at the same time I believe that Ian can probably give you a little bit more detail as far as some of the things that we are attempting to do are concerned. It's been ongoing now probably for the past four or five months. We're trying to come up with something that will beautify our highways. Ian, is there any up-to-date information you might be able to share with us?

Mr Oliver: To put it in a historical perspective, we're talking about a trend over the last many years, but particularly over the last four or five years, where there has no doubt been a decrease in the budget we've had available for maintaining the highway system. When we talk about maintenance, we break it into basically two general categories: We talk about the things we do in the summer, and those are the kinds of things you've alluded to where we try to deal with not only the upkeep of the highway system in a structural sense, but we do the safety things like grading shoulders, making sure critical guardrail repairs are made. We try, within the resources available, to deal with things like critical areas of weed and brush control where safety or other factors dictate we have to do it.

We have a kind of a centre-line-out approach to setting our priorities with the resources we have; that is to say, the most important things and the first things we spend our maintenance dollars on in the summer are on the road surface, to try to preserve it, to try to make sure it's safe and driveable. We work our way out. As critical deficiencies show up in the way of shoulder dropoff, we do the grading as needed, and we do guardrail repairs. They may not look pretty, but as long as they're functional and as long as they will perform safely we leave them. That's the way we go at it.

When we get beyond the shoulder, the way we're approaching the appearance of the highway is that it's very important and we recognize that, but in terms of safety it's not number one. It is maybe in terms of tourism, pride in the highway system and all those things, and we are concerned.

A number of things have been under way for a number of years. We have gone into programs called adopt-a-highway program, and I'm sure you've seen the signs around the province. It's turning out to be very successful in meeting the objectives of getting people, on a volunteer basis, to help us deal with those aesthetic and cosmetic types of activities you referred to: litter pickup and so on. It is not without cost. We have to spend a fair amount of money of our own resources in terms of supervising and training people, handling the logistics of dropping them off, making sure they're working on the highway in a safe manner, and making sure the litter is picked up and taken to a proper disposal site.

Those are the kinds of measures we've been taking to deal with the issues you've raised that have to do with not only safety, but the aesthetics. Finally, there are some new ventures ongoing, started this year in cooperation with the Solicitor General: the whole idea of having inmates from local institutions run by the Solicitor General, getting them involved with our forces on the highway so that we have more resources available to tackle some of these particular needs you've talked about.

Mr Cleary: I agree wholeheartedly with adopt-a-highway. I worked very hard with a group at that time, back a number of years ago, to get that going. We ran into all kinds of problems with the former government. I'm pleased that is in the making now, because I think there can be a great saving.

The other thing I have to say, living next door to the province of Quebec—heaven forbid, I don't agree with a lot of things they're doing down there, but I sure agree with the way they are maintaining their roads and am somewhat disappointed to be a member of the provincial Legislature when we get many tourists from Quebec and they criticize us no end.

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The other thing I want to get to is signage on the highway. I know from my own experience that we've had a terrible time getting signs on provincial highways for tourist attractions and everything, although in our part of eastern Ontario in the last year or two there was a pilot project that made it much easier. But we've been getting the runaround that the provincial government doesn't want signs on the highways because it distracts motorists. I want your reply on that. I don't want staff; I want yours.

Hon Mr Palladini: I'd like to just add to what Ian Oliver said in terms of the things we are looking to implement, and I think it's going to roll into what you're saying as well. I believe there is an opportunity here to do something really positive, not only in serving your purpose but in beautifying our highways. We're looking at floral advertising and if we can tie it up as part of the responsibility to maintain our soft shoulders, to cut the grass in strategic areas of our highways.

As far as signage is concerned, I believe we must be a lot more aggressive in the tourism industry, and MEDTT and our ministry have to work hand in hand to see how best we can promote Ontario. Signage is very important to me, and I'd like to say to you that we are going to give every consideration to how we can improve our signage potential.

Mr Cleary: So you're very supportive of that. Okay, then my next question—

The Chair: Is going to be very short.

Mr Cleary: Okay, Mr Chairman. We had a service club that wanted to put a sign on a provincial highway, and what ministry staff put them through—they didn't have all kinds of money, thousands and thousands of dollars, to put that sign up. But they said, "You've got to do this, you've got to do that, you've got to do the other," and it was just beyond their means. Surely there could be a simpler way. I don't want a sign that's going to cause somebody some problems or blow down, but surely you don't have to have a deluxe, expensive sign.

Hon Mr Palladini: We must keep one thing in mind. Safety has to be a major part of that. But we are encouraging more signage. Actually, MEDTT and ourselves have just sent out an RFP based on signage.

Mr Pouliot: Good morning. Lifelong learning—some things change. Thank you, Ian and Carl, for your much-valued expertise.

Tell me, what is the life of a highway? If you were to build one today, when would you have to go back and look at the pavement, look at the blacktop: 12, 15, 16 years?

Mr Vervoort: Yes, that would be the normal range, the expected lifespan of pavement before significant effort on the pavement itself would be required.

Mr Pouliot: Thank you very much. I've only been here 11 years, so that would mean all three parties. You can't say this, and I appreciate it.

Reminded that all politics are local, it's with some irony that I listened to Mr Kells and Mr Preston. People go back home—they're first-time members—and you do very well to listen when you're home, and people at home are saying that one of the three things that will get you out of politics faster than others is the condition of roads. People relate to it—seven million motorists.

There's no secret here. You're asking the municipalities to take over an endeavour that has traditionally been the responsibility of the province. In order to seduce them, to lure them, you offer a sweetener. You say, "We will give you some money." And you know—it's a certainty—that when you have the work that needs to be done relatively short-term and the ongoing maintenance, you are saving money. Yes or no?

Mr Vervoort: If the question is that by virtue of having transferred those roads, we no longer have to put the capital investments and maintenance costs to them, that would be correct.

Mr Pouliot: So you're saving money; otherwise, you wouldn't do it. You say those things, and you're saying it very, very well. From time to time, people will try to dress it up. There's nothing to dress up here. There might be nothing wrong. It's the new style of doing business, on the one hand. On the other hand, the minister says, "I

wish to go back to the way Ontario was." He brings out the nostalgia and the romanticism, which is not becoming. He talks about summer maintenance, yet I look at the cold, hard facts right here and I don't see even the same money; I see a decrease. If I were sitting outside, I would hear it said that the minister is most economical with the truth or, if he knows, that the minister is lying. But I am not sitting outside, so I cannot hear those things, Mr Chairman.

What happens if the municipalities say no? You go to them and you say: "Psst. Want to buy a highway, a used highway? Have I got a deal for you." And then the minister says, "Where I come from, we're concerned about, 'Look at the nice soft shoulders.'" And the clientele say, "Minister, where I come from, we're concerned about the section between the soft shoulders, so you don't have a deal." What happens if the municipalities tell you to go to hell, tell you they don't want the transfer? What do you tell them? When you come calling and Metro tells you, "We don't want the QEW. It's worse than la peste, cholera and typhus. It's costing too much money. You keep it. It's been yours; we don't want it," what's going to happen then?

Hon Mr Palladini: Do you want me to answer your questions now? I thought you were still going to go on.

Mr Pouliot: You can be provocative.

Hon Mr Palladini: Actually, I am enjoying your theatrics. I think you missed your calling. You should be in Hollywood. I think you'd probably do a hell of a job there too.

The Chair: In the meantime, we still want an answer.

Hon Mr Palladini: On the serious side, I'd just like to pick up on what Mr Vervoort said. With these transfers that will eventually take place, obviously the ministry or the province is going to be saving money, but let me say here and now that the moneys that eventually we will save, we are going to reinvest back in the highways that are going to make a contribution to our economic growth. We are committed to shifting a major part of our budget back into the infrastructure. We realize how badly our highways have deteriorated over the years, and I know the auditor reported back in October how bad our highways are. We must pay attention, and we are going to address these problems. We're going to put more money back into the infrastructure as ever before during the last two governments. That's a commitment this minister is going to be making.

Mr Pouliot: You know, Tales of Houdini. You say things, and I am trying very hard to believe you, Minister. But when I go back to the book, all I see is slash and burn, for Chairman Mike has said: "You do it. You get your walking orders. Otherwise, we will have to address tenure with someone who has more ambition, listens better." I want to believe you, and I'm trying very hard, but when I look at the book here, no, there are fewer dollars. And you said this at the beginning of your presentation.

What I'm suggesting is that you're well-meaning, you will be as efficient as you can, but when all is said and done, you will be spending less money, and less money will bring you less result. You don't have to be a mathematical genius emanating from Harvard or U of T to understand that.

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Minister, I mentioned yesterday that we would start this morning to develop a theme around deregulation, around the free-for-all. We have the presence of two people who helped me, have helped the province over the years, and they represent thousands of women and men who provide the essential service. They drive buses, they operate the subway, they do maintenance. They keep each and every one of us alive. Often we take them for granted.

Your cabinet decided to deregulate bus transportation in October. On November 15, maybe you will recall, our then leader, Mr Bob Rae, asked you a question in the Legislature. You said, "As far as the Ontario Highway Transport Board, all that was an NDP bone that was thrown to people." Those were your words of wisdom.

Mr Colle: Leslie Frost was an NDP?

Mr Pouliot: It spoke highly of your knowledge of the highway transport board. You indicated as if the transport board came into existence between 1990 and 1995 by way of patronage. I repeat: "All that was an NDP bone that was thrown to people." How can you believe that the Ontario Highway Transport Board had been established since 1990? Didn't you do your homework, Minister? I think your comments speak for themselves.

You have a zeal, a determination attached to you, with this tunnel vision, that no matter what, the private sector always does it better; they're the answer to everything. "We must get out of their lives. We must not regulate. We just throw it wide open to the private sector and we will be better off."

I have a letter that was sent to Freedom to Move. We all know them. They're a grass-roots organization and they've been around for some time. One of the things they do best is fight for small-town Ontario. In your letter to Freedom to Move, you write that because of deregulation, larger carriers may wish to wish to withdraw service in order to protect profit levels. This is a minister of the crown, who with much trumpet and fanfare says, "I am committed to doing what's best for Ontario, what's best for Ontarians," and then turns around and says, "I understand your dilemma. Because we will deregulate, if you can't get a fair return on investment, more dollars in your pocket, I understand that you might have to make choices and not provide services in the small communities that can't foot the bill." It's not complex, Minister.

If you admit that some routes may have to be cut, what will happen to us in the small and more isolated communities when we have to go to work, to medical services, go to school, meet relatives, go to and from, and we have no alternative? It flies in the face of what you have said. Are you throwing us to the wolves, sir? Have you made any studies vis-à-vis the impact of deregulation? Newfoundland and PEI have it because they're not road-connected. By our perspective, they have anomalies that are—not anomalies, but they are different: bodies of water. You would become the only jurisdiction that deregulates the bus industry.

The regulation has been here for a reason, damn it. It's been here because public necessity and convenience says: "Greyhound and others, we will give you the route from here to there and we wish you well, and when you do

that we're going to trade off with you. You will also have routes that are less lucrative." Most people will be served and most people will be happy.

Now you throw it wide open and you deregulate, in spite of the fact that the thousands of employees, men and women, who presently have jobs and provide stability in Ontario fear that they will end up on the human junk pile. They'll be left twisting in the wind. They have no guarantee. All they have at present are questions, a great deal of anxiety, some fear, and in some cases mad as hell. Things have gone well. Why change? Sometimes it's better to do nothing. People are not breaking down the doors to have the bus industry deregulated, not at all. You know that. I know that. You know that we know that.

Where are the studies? Will you produce studies regarding the impact of deregulation? Whom have you consulted? Tell me.

Hon Mr Palladini: We're working with the bus industry. Consultation has been ongoing for the past year, and we're going to continue to consult with the interest groups to make sure that deregulation is done in an orderly fashion. A lot of thought and input is going into this thing, and that's before it actually materializes in January 1998.

Mr Pouliot: Thank you, Minister. I'm going to quote what some of the major players are saying on deregulation, and I want you to understand that those people are not necessarily New Democrats.

Greyhound, the largest operation in Ontario, has taken a position. They're opposed to deregulation. So when you see them at the Boulevard, the Granite or the Toronto clubs, you shall be reminded. That's Greyhound, one of the majors.

Penetang-Midland Coach Lines, the second-largest. This is what the person who owns the company says: "Deregulation hasn't worked in the trucking industry. It hasn't worked in the airline industry. It hasn't worked in the rail industry. What makes them think it will work in the bus industry?" That's not what I say. That's what the owner of Penetang says.

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More bluntly, more to the point, Monsieur Debeau says the following: "Rural Ontario is going to suffer if inter-city bus service is deregulated."

Trentway-Wagar, the third-largest. You know, you've got two strikes now. The majors, the first two, are saying: "Don't do it. Don't do it. Get off the train. Take a break. Get away from the binge you're on. Listen. I'm not in favour of deregulation."

Chatham Coach Lines: "If it isn't broken, why fix it?"

Gino's Bus Line—you know those people, Minister, no doubt.

Mr Colle: Hey, wait a minute, now.

Mr Pouliot: You know those people I've listed. You know all five people I've listed, no doubt. Those are the circles you tread. This is what Gino says, and he's the president: that larger companies are definitely going to drop routes.

George Payne of Ontario Northland says, "We expect deregulation will have a serious effect upon our operation."

You don't have one player on your side. The operators, the biggest players, are simply saying—not that they have a cartel, not that they have a monopoly. They're not saying this. They welcome competition, and there is competition. But they are saying, "Really have a good look at it." As a philosophy that is so easily done, what's wrong with consultation? The people who do the work would be willing. Labour is not bad. It's all of us. People should have a say—the passengers, the clients—because in many cases this is vast, magnificent. It's also 11 million people. If we're not going to get the service or if the service is going to become so prohibitive, so expensive that we can least afford it, it's not serving Ontario well. In this endeavour, it's not the friends you make, Minister, it's often the people you antagonize.

I would not wish to have to go on the steps of the Ontario Legislative Assembly—there are no threats here, no ultimatum, sir—and as the critic for the third party, tell the citizens of Ontario: "They're trying their best. I really know them, and they're a good lot." Sometimes people might not be willing to listen to what I have to say.

Really have a good look at deregulation of the bus industry. You'll be the first. There's a lot to say. Our labour friends here are very capable of producing documents that are not controversial. I don't find them biased, but they're real people doing the job. They need those people daily. I'd like to have your reactions vis-à-vis deregulation and the assurance that everything will be done in an orderly fashion, things will be studied and people will be consulted.

Hon Mr Palladini: I certainly do commit to you that this government is going to give every opportunity for input in coming up with a way that deregulation will be done in an orderly fashion and in fact will work. We can all come up with specific people who are going to be either for or against, and I too have information of people who are in favour. I really don't want to take that time in highlighting people who are in favour, but certainly this is an initiative that was started with the Liberals in Ottawa, so this is a federal initiative. Our government is in agreement because we see the benefits of what possibilities can be realized.

I want to share with you one thought from an existing bus operator under regulation. He is a small-town bus operator who services approximately 24 communities and he says he will be looking to expand. This is a small individual operating 12-passenger vans; the biggest bus in his fleet is possibly only a 24-passenger bus. There are opportunities by deregulation that will open up the business to many more entrepreneurs. The opportunities are tremendous.

Under regulation in the last 10 years alone, over 400 communities have lost bus services. I also want to make it very clear that with deregulation, we are not talking about the urban areas. We're talking about the intercity areas.

Mr Pouliot: Under Bill 26, the massive document that gives Chairman Mike the right to decree at will, a very disturbing piece of legislation, introduced, incidentally, when members were locked out by way of being in a lockup—it was almost done under cover of darkness. I

want to commend you, Mr Chair, for your courageous—and I know it was spontaneous. The time came, opportunity passed and you seized it. You had to make a stand, for other people had not. It was traumatic for you and you're to be commended. You stood up for all Ontarians. You fought for democracy.

Under Bill 26, when you persevere and go through the 150- some-odd amendments, because it was a very bad draft—as is often the case. Things that are done in a hurry, in secret, in haste, tend to be less than perfect, and you've done so at your own peril. You'll certainly have to carry the guilt and suffer the consequences.

Under that bill, the law, what stops GO Transit, what stops TTC—you've just mentioned that urban areas would not be impacted. What stops them from privatizing? What is there to stop Metro from privatizing TTC, the province from privatizing GO Transit?

Mr Davies:

Hon Mr Palladini: You're asking for—

Mr Pouliot: Oh, I'm sorry. The minister will answer.

Hon Mr Palladini: Well, I didn't know whether you were quite finished, Mr Pouliot.

The Chair: I don't think he's ever finished. If there's a pause, it's a question.

Hon Mr Palladini: The TTC runs its own operation, so basically it's got nothing to do with us. I want to make it very clear that deregulation—we are talking about deregulation in the intercity, not the urban areas, and we're talking about maintaining all the safety standards that are in place. So we're deregulating the services, not any aspects of safety. As far as GO, I made it very clear yesterday that I believe that GO's future is very bright and viable. I believe that much bigger and better things can be achieved with GO. We're not looking to deregulate the TTC or GO Transit.

I want to say too that even under deregulation, I believe that GO will be more than well placed into future potential growth.

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Mr Pouliot: What about the bus industry? Do you intend to deregulate intercity buses? Yes or no, and when?

Hon Mr Palladini: Deregulation is to take effect in January 1998 and, like I was saying, there are going to be ongoing processes and discussions being held with the interested parties to make sure that things are going to be done in an orderly fashion and that address all the concerns. If you want some details, I'd be very happy to have either Frank D'Onofrio or David Guscott give you the information. Would you like David to share with you some of the details and some of the things that have happened?

The Chair: He has about two minutes to do so. What is your preference?

Mr Pouliot: We're listening to Mr Guscott.

Mr David Guscott: If I can give a two-minute response to the member's questions, I think I'd point out that in the current system, as the minister noted, the federal government has told us that 400 communities in Ontario have lost service. Those rural communities can lose that service on 10 days' notice. There is nothing in the current system that provides the kind of protection

that some are saying is required in a regulated environment. In fact, in the transition that we are now discussing with the industry, we're looking to build in better protection for the kind of transition that the minister mentioned, in terms of more notice, more ability for the communities and entrepreneurs in those communities to respond to any reductions that may happen in the service to smaller communities.

The Chair: I presume we can go to the Conservatives.

Mr Toby Barrett (Norfolk): I wish some information, to go back to trucks on our highways and truck safety, with respect to US carriers. We heard earlier that 7% of fatal accidents are attributed to large, heavy trucks and tractor-trailers. I'm assuming not all of those fatalities in Ontario can be attributed to Ontario-owned trucks or Canadian-owned trucks.

Trucking is important in my riding, as in many rural ridings, because of the agricultural products that are hauled out—tobacco; steel is hauled out of our riding—and we are in touch with many of these companies. They've set very high standards, but I also have watched a wheel come off a truck. In this case it was a Canadian carrier, but I'm told that US trucks lose wheels as well, and I don't know to what extent they lose wheels in Ontario.

There is concern with people I've talked to, and it was mentioned earlier that we are working with other Canadian jurisdictions and North American jurisdictions as far as some of these rules and regulations, but I'm concerned about some of the complaints, and it's anecdotal with respect to US carriers. I'd like to know, do we have any information on the safety track record of US trucks on Ontario highways?

Hon Mr Palladini: Thank you for the question. Just before I turn it over to Mr Wycliffe, because he's going to have a lot of detail for you, especially on the US carriers—I know I was personally involved in a situation with a US carrier last year and how these people were supposed to be taking part in an amusement park. We stopped them basically on past history at the border and we turned them back. We mean business.

That is the message we want to send to Americans but that is also clearly a message we want to send to all Ontarians, or to all Canadians, for that matter, who use Ontario roads. Rudi, would you share some more detail with us, please?

The Chair: You can introduce yourself, Mr Wycliffe, for Hansard.

Mr Rudi Wycliffe: Rudi Wycliffe, acting assistant deputy minister, safety and regulation division, Ministry of Transportation.

The member has asked a number of questions related to Ontario versus out-of-province trucks operating on our highways. There are a number of points I would like to make in my response.

Once a year, the Ministry of Transportation conducts a major safety blitz in conjunction with all the other jurisdictions in North America, all the other provinces and all the states of the United States who have jurisdiction for on-highway truck safety enforcement. That safety blitz is called Roadcheck. The most recent one was called Roadcheck '95 on June 20, 21, 22, 1995. That is the only

time in the year that we ask our enforcement officers, as the minister said yesterday, some 240 enforcement officers, to select trucks randomly. We've been doing that for five or six years and we use that as a benchmark. It gives us some statistically reliable information on truck safety, in terms of their mechanical condition. Each year we stop the trucks randomly, whatever truck comes along, whether it's from Ontario, Quebec, Manitoba, Michigan, New York, Ohio, wherever.

Obviously, because we are in Ontario, the vast majority of the trucks we stop are based in Ontario and plated in Ontario. The statistics from Roadcheck '95, I would suggest to the committee and the previous road checks, are indicative of the performance of Ontario-based trucks versus other jurisdictions. I will give you the statistics. It will take me a minute to leaf through the pages here to find the right one, but very generally speaking, Ontario trucks perform no better and no worse than trucks from other provinces and other states.

In 1995, during the three-day Roadcheck period, we inspected overall 2,366 trucks, and 43.2% of them were taken out of service for various mechanically related defects. Of those 2,366, 1,561 were Ontario trucks, and the out-of-service rate for Ontario trucks was 42.2%. There were 348 trucks from the United States. The out-of-service rate there was 45.4%. The next-biggest number is trucks from Quebec. There were 188 trucks inspected, and their out-of-service rate was 49.5%. Clearly, as the number of inspections by a jurisdiction gets smaller, the statistical reliability of the figure loses reliability. But generally speaking, as I said, we don't find any difference between the trucks based in Ontario or based in other jurisdictions.

In terms of our day-to-day and regular focus on enforcement, and also when we work on a frequent basis with the Ontario Provincial Police and municipal and regional police forces on local or other province-wide blitzes, the instructions of our staff and to the police are: "Select what you think are the worst trucks on the road. Bring them in and give them a good once-over." That's why you hear statistics, that one of the other committee members mentioned yesterday, as high as 70% or 75% on blitzes. I think during normal enforcement you have to recognize it's as much an indication of the effectiveness of our enforcement as it is a criticism of the industry, and you can't use our regular enforcement as a weather-vane of the industry. We're going out to find the dangerous trucks and we're inspecting them and we're taking them off the road.

The Chair: I think you should be satisfied by that.

Mr Barrett: Yes, that covers the safety issue. Another bone of contention in my area, and again I'm assuming elsewhere in Ontario: Many US trucks coming through, using US-purchased fuel, don't even stop in Ontario. My colleague mentioned Highway 3, which was the third provincial highway built in Ontario. It in many ways was built as a link between Michigan and New York. I'm wondering to what extent our roads are being used essentially free of charge by US carriers. In their own nation in many cases they are using turnpikes. As well, I understand many US rigs can be outfitted with extra tanks for diesel. They can carry, I understand, up to

something like 900 gallons of diesel. They could spend all week delivering in Ontario and not be required to refuel.

I'm a free-trader and I know the importance of the auto parts industry and the importance of tractor-trailers moving back and forth across our borders, but I'm just wondering to what extent US carriers are basically getting a free ride in Ontario and are getting off the hook as far as certain taxes or fees. They're obviously not paying turnpike fees when they're in Ontario. To what extent are our roads being deteriorated by these trucks, without compensation, and to what extent are we in the unenviable position of our truckers trying to compete with that industry?

1040

Mr Wycliffe: The member's observations are very correct. There are many routes in Ontario that are desirable corridors, if you like, to cut from one jurisdiction to another. You could argue, for example, that the Trans-Canada across northern Ontario is a corridor between the western provinces and the eastern provinces, and there is a fair amount of truck traffic that uses Highway 17, Highway 11 for exactly that reason. The 401-3-403-QEW corridor is also a route that is used by some American truckers to traverse between Michigan, for example, and New York state and points east and points west of Michigan.

The member is certainly right that it's not common for those truckers to take advantage of Ontario's fuel prices and stop and buy gasoline. However, there are two requirements under the law that those trucks must meet and there are enforcement activities related to those requirements. I want to review those very briefly.

Regardless of whether a truck stops to purchase fuel, a truck coming into Ontario needs a fuel tax registration. Fuel tax registration is administered by the Ontario Ministry of Finance, and a truck or a trucking company can register on either an annual permit basis or a trip permit basis.

Compliant truckers will fax ahead and obtain the fuel tax permits through the Ministry of Finance and their agencies that issue those permits, and our Ministry of Transportation enforcement staff, along with the Ministry of Finance enforcement staff, does conduct enforcement of trucks coming into the province to make sure they are complying with the fuel tax requirements.

The other requirement that trucks have coming into Ontario deals with registration. Within Canada there is a prorated registration agreement, and we have a similar agreement with many states individually. It is a requirement to either be registered in a state that we have a reciprocal agreement with or in another province or to obtain a vehicle registration on a trip permit or an annual basis with the province of Ontario. Similarly, that is one of our enforcement focuses by the Ministry of Transportation enforcement staff.

The Chair: Are you satisfied with that?

Mr Barrett: Yes.

Mr Preston: Is there any thought of lowering the qualifications for the tax? Let me give you a for-instance. Personally, I took a horse in a trailer to Quebec, 20 miles inside the border. To ride for one day and come back out,

it cost me \$118 because I drive a diesel truck. Incidentally, it cost me \$52 to get back into Ontario too, which I question: But is there any thought at all of dropping down the requirements to where it affects tourists and industries that are not primarily truckers?

Mr Wycliffe: The requirement for fuel tax and registration is limited to commercial operations, truck and bus operations—

The Chair: The minister would like to add to this.

Mr Wycliffe: I'm sorry.

Hon Mr Palladini: Yes. Thank you, Rudi.

Mr Preston: Are you telling me I'll get my 52 bucks back? No.

Hon Mr Palladini: Mr Preston, I believe I would just like to say that this is something we should be asking the Minister of Finance. It certainly is not within our jurisdiction, and let's see if we can kind of stick in the environment that we are responsible for.

Mr Preston: I don't really want to stick you with questions. I'm going to make a comment. About regulation, regulations did provide bus transport up to about four years ago for some localities that don't receive it now. Most of the complaints we hear are that this little town in the north country is going to be deprived and this little town in the north country's going to be deprived.

I live in the very southern part of Ontario. We're on latitude with northern California. Wainfleet, Lowbanks, names that you don't hear—like I don't hear some of the names you guys come up with—Dunnville, Port Maitland, Canfield, Cayuga, Hagersville, Caledonia and Jarvis.

Mr Colle: Hagersville—

Mr Preston: Do you know where Hagersville is?

Mr Colle: That's where they had the big fire.

Mr Preston: You're right. And those places, under regulation, do not have any transport. The poor people there, when they need to get to health services, have to make do. When they have to get to work in Hamilton, they have to make do. I hope deregulation will help them, but regulation certainly has not. They lost their bus service. Regulation didn't help them a bit.

Thank you, Minister. That was a comment rather than a question.

The Chair: Thank you. Mr Kells.

Mr Preston: Go back to Mr Barrett, because he allowed me to move on.

The Chair: Mr Kells.

Mr Kells: Thank you, Mr Chair. Mr Palladini, I must apologize. I got so busy listening to the fact that my riding was going to gain the QEW, I forgot to ask you a question about a piece of road that I'd like to get rid of.

It just happens that a constituent of mine sent me a fax yesterday about a piece of road that we call Browns Line. I don't know what you call it anywhere else. It's been under some construction by the municipality and Metro under the infrastructure program that the Liberals put in place a couple of years ago. I don't expect that Hansard or anybody needs to know, but the reconstruction of the road went from Horner Avenue almost to where the 427 starts.

There's a piece of road—I guess we could best describe it as a block, a city block—that does not fall under the jurisdiction of Metro or the city of Etobicoke.

So as happy as we are to receive the benefit of the infrastructure program in fixing up the road, it only went to the limit of the jurisdiction of the local governments and there is a city block that still belongs to you people, so it didn't get done. As a result, the complaint of my constituent is that the road surface changes dramatically, and the people in question know that and they change their speed dramatically.

Interjection: It's a speed bump, in other words.

Mr Kells: Yes. Then they really take off to get on to your 427. The constituent complained to the city of Etobicoke, and the city of Etobicoke explained that it's not their road. Anyway, I've got a problem and I'd like you to take the road back over, or give it to us, so we can surface it and police it.

Hon Mr Palladini: Thank you very much, Mr Kells, for the information. I know the area somewhat, and I'm at a loss. I don't have an answer for you, but I would like to take it as notice and get back to this committee, just to see what can be done, because I certainly do understand the situation. It should be resolved.

Mr Kells: I suspect we can probably make a trade.

Hon Mr Palladini: I give you my commitment that it will somewhat get resolved.

Mr Kells: I get the QEW and you take this or vice versa. Anyway, I'll pass it on to your staff, if I may.

Hon Mr Palladini: Okay. Please.

The Chair: Have you got more, Mr Kells?

Mr Kells: I have a couple of questions, but there's a long day.

The Chair: I'm just trying to share.

Mr Kells: I think it's more important that my colleague gets in now.

1050

Mr E.J. Douglas Rollins (Quinte): Thanks, Morley, for sharing that with me.

Being that I'm just kind of a rookie on the block of eight or nine months, whatever you want to call it, I didn't realize until I got in here and asked some of your staff that over the past three years there have been approximately 300 kilometres of highways transferred back to the municipalities. Sitting here at the start, I thought this was something new, that this had never happened before, but I think the records want to be quite clear that over the past three years and the past governments have passed back some of the roads to municipalities. I think that's kind of an ongoing thing that we in this government are continuing, and if it was good at that time, it's probably equally as good now to make sure that it works right. And I hope it goes in the direction that those municipalities can afford to take those roads and look after them in that kind of an equitable way.

One other thing that I wanted to talk to you about, Minister, is that having been lucky enough a couple of years ago to take a little holiday and go down into Quebec, I see their highways down there extremely well manicured along the lines of the 401. Is there any consideration to buying some moors and getting back to keeping our 401 so that it does look to be the pride of Ontario that it should be?

Hon Mr Palladini: Thank you, Mr Rollins. I certainly do agree with you on that. We are exploring every

opportunity or possibility that we can enhance—it's certainly, at least initially, possibly with the major concentration on the gateways of the borders, in other words, Quebec and then south of the border with the US—but we want to go beyond that and we're looking at how we can deliver that service with the minimum cost to the government, because, as you well know, we are in a fiscal situation that somehow we've got to get money back into the infrastructure. But there are going to be some opportunities that we will explore, and possibly with floral advertising in strategic areas as long as everything is going to be in the best interests of safety, and by giving people maybe those opportunities, we can in fact expect them to perform certain services or work on the rest of our highways' shoulders.

We are looking at the adopt a highway program, which has been an ongoing thing. We see opportunities that we might possibly expand on it. You've also heard from our Solicitor General that we might utilize some of the minimum security inmates that we can put on our highways, cleanup details and so on. I'd certainly give you the commitment that I see the importance of clean, manicured shoulders on our highways.

Mr Rollins: Thanks, Minister. I think it's something that we as proud Ontarians—and I know there are a couple of our opposition who say that everything is absolutely terrible and wrong and everything, but I think there needs to be some of these things happening, because we are open for business again. We do want to make sure the roads look good, and I think it's one of the ways that tourists, and particularly people who are travelling in our province and through our province with holiday time and everything else, that this maintenance would be kind of turned around somewhat.

One of the other things I'd like to question too, Minister, I know that during the cutbacks and everything we have got into quite a bit of truck rental, or equipment rental, for the maintenance of our roads through the winter with sanders and things of that nature. Is there any consideration, or is that a much more economical way to go, by renting some of these pieces of equipment rather than by us owning it as a province and as a department?

Hon Mr Palladini: Carl, come on up. In the last few years, more and more privatization in the winter maintenance has been taking place within the ministry, and I concur with those decisions, because we feel that the private sector can deliver those services a lot more cost-efficiently. As far as the equipment that government has, we should not be investing in that equipment. I think there are other things that we should be investing in, the infrastructure, rather than trucks and sanders and so on. But I'm going to allow Carl Vervoort to explain to you fairly well how the equipment side of the ledger really works as far as our maintenance end of it.

Mr Vervoort: Thank you, Minister. At present, in fact the sanders and salters are almost entirely privatized, not only the operation of the equipment but the actual ownership of the equipment. In the past, the more distant past, all of that equipment was both owned and operated by the ministry, and through a period of about 15 years, we have slowly made that particular service be provided by the private sector. In the first instance, we simply

asked them to provide the truck and we continued to provide the sand or salter unit, but more recently we have also in the contracts asked them to provide that equipment.

The same thing has happened with plows and plow equipment. I don't have the precise numbers, but originally all those units were supplied and operated by the ministry. More recently, an increasing proportion of them are in fact provided by our contractors, so they are giving us a full service for the contract.

This has a positive impact not only in the capital costs for the ministry in acquiring and maintaining the equipment, but it has a dramatic effect and we have been able to make some significant reductions in our expenditures in our garage operations with the smaller fleet, with a more focused fleet, with less variability in the nature of the equipment that we're having to maintain. In the last several years, we have been able to consolidate several garage locations and about two years ago in fact closed three or four of our garages.

It's an area of improvement that has been constant. It is an area where we understand that the new technologies of the equipment—the plows, the metals in the blades and all of those other features that are important to have long life and low maintenance—that we have tried to extract savings from. I think we've been quite successful in doing that, and we are simply continuing on with those types of initiatives in all respects, both the equipment side, the personnel and the support systems like garages that are necessary to support both the personnel and the equipment that are being deployed.

Mr Rollins: Could you see that rental going on down to smaller vehicles, actually, for our entire fleet of equipment as far as the trucks, the half-tons, the small vehicles and things of that nature? Wouldn't we be wiser to save our capital investment there and put it into infrastructure?

Mr Vervoort: Exactly. We use small vehicles, pickup trucks, for primarily two purposes: One is the enforcement activities that Mr Wycliffe spoke of earlier, and we use light vehicles, light trucks, for our patrolling functions. We are contemplating the benefits of leasing versus buying and are constantly measuring and testing the marketplace. Indeed, I believe, as the general fleet management strategy for the entire province, that is a fundamental issue that is currently under review. So we do intend to explore whatever financial opportunity there is to reduce our expenditures in those areas.

The Chair: Mr Sheehan.

Mr Frank Sheehan (Lincoln): Just humour me a minute, Mr Chairman and Mr Palladini, or Minister. What is the ton-mile tax that we charge non-resident truckers?

Hon Mr Palladini: I'm sorry, Mr Sheehan?

Mr Sheehan: What is that licensing fee that the gentleman was referring to and Mr Preston paid getting in and out of Quebec?

Hon Mr Palladini: Oh, with the borders, over the borders. Rudi Wycliffe, would you—

Mr Sheehan: I know it's not just private, but it's—

Hon Mr Palladini: Maybe you can share with us the cost of the ton-mile tax that you were referring to earlier.

Mr Sheehan: And how do you collect it?

Mr Wycliffe: I think the point I need to make first of all is Ontario does not charge a ton-mile or tonne-kilometre tax to truckers coming in. As I mentioned before, there are two requirements of commercial vehicles coming into Ontario: One is fuel tax registration and the other is a prorated or trip-based vehicle registration fee.

I apologize. Off the top of my head and in my package here I don't have the specifics of what a trip permit fee is for either fuel tax or registration. I'd be more than happy to provide that to you and the committee, but I do want to emphasize that both the Ministry of Transportation for vehicle registration and the Ministry of Finance for fuel tax do not approach it on a ton-mile or tonne-kilometre basis.

Mr Sheehan: How does it generate cash? Just so much a trip?

Mr Wycliffe: If it's on a trip permit basis, yes. If it's on an annual basis, then it is, as you suggest, set by the portion of driving or the kilometres travelled in Ontario.

Mr Sheehan: Do you bill them annually?

Mr Wycliffe: Yes. American truckers acquire an annual registration based on the miles travelled or kilometres travelled in Ontario. For other provinces we have a reciprocal agreement where they register in one province and then those registration fees are prorated among the provinces in which that carrier travels.

Mr Sheehan: Does that generate a significant amount of cash?

Mr Wycliffe: It generates a significant amount of cash both in terms of the vehicle registration, which is the Ministry of Transportation's responsibility, and in terms of fuel tax for the Ministry of Finance.

The Chair: You only have a minute and a half.

Mr Sheehan: A minute? Well, these are kind of quickies. The preventive maintenance process—I noticed that about 1,400 out of 2,300 are non-resident vehicles. Rather than spot-check them around Toronto, Hamilton or Windsor or whatever, why aren't you hitting them off at the border or hitting them off as they come into the province, as opposed to waiting till they get into the built-up sections where they get a chance to kill more people?

Hon Mr Palladini: There is a process in place, Mr Sheehan, and it's somewhat, not complicated, but I think it's very important that we all understand how the process works. I'm going to ask Rudi Wycliffe to take you through it because it is somewhat detailed.

The Chair: You can take it through for 10 seconds.

Mr Sheehan: I'll defer and come back again. I would really like to find out what the process is.

Hon Mr Palladini: I think it's very important that we do have a reciprocal situation with the Americans as well, so we cannot be too confrontational. But, Mr Chairman, it's your call.

The Chair: We'll take a break, 10 minutes.

The committee recessed from 1102 to 1121.

The Chair: We'll resume the estimates hearing with the Liberals.

Mr Colle: Just a brief comment on deregulation. There has been a lot of comment and they keep repeating that 400 bus routes throughout Ontario were lost because of deregulation. I wonder if there was any study that's been

done by the ministry as to why these 400 bus routes were lost, because certainly in looking at bus routes in the GTA area, one of the reasons they were lost in the past is not just because of regulation, but because in some cases plants closed, in some cases there were new developments, in some cases there were shifts of populations. There were also different traffic patterns for people.

To say that a deregulated environment resulted in 400 bus routes being cancelled in small towns is certainly quite myopic in perspective, and I would hope that the minister, as he keeps repeating that, should maybe do a study to find out why these 400 bus routes were lost rather than continually equating regulation with the loss of bus routes.

Another thing, I notice the minister said that if you had four jurisdictions or four cities taking over the financing, the engineering, the planning, the upkeep of a highway, it might be done more efficiently or more effectively or whatever. I'll relate to the minister an experience we had with Metro when we had to do the planning for the Front Street extension. The Front Street extension is the missing link in the southern part of Metro; right now Front Street ends at Bathurst Street.

Metro and Etobicoke and the rest of the GTA were very much in favour of the Front Street extension because it was the link that allowed service vehicles and commuters to come in and out of Metro much more quickly than just along the Lakeshore. So it was a total agreement except for the city of Toronto. The city of Toronto didn't want Front Street extended. What the city of Toronto basically forced Metro to do is buy a hotel and then demolish the hotel so that the Front Street alignment could be done properly. I have to get the exact details of that worked out, but the point is that the city of Toronto did not want any more traffic coming into Toronto because it said it would clog Toronto's streets.

Metro, being the regional government, said: "Hey, on a regional perspective this makes a lot of sense because people are spending so many hours on our congested highways. This would be good for Etobicoke, it would be good for people living in Mississauga or wherever, and getting in and out of the downtown core. It's going to save money and cause less pollution." But, no, Toronto put us through environmental study after environmental study. I think we ended up spending I don't know how many more millions of dollars, as I said, to the point of buying a hotel and then having to demolish it to create this road link.

So when the minister says it's going to maybe easier and cheaper to have all these little municipalities deciding on road maintenance, construction, design and engineering, you haven't seen anything yet in terms of cost, and that's why there's a provincial responsibility in some roads that are interregional. You're going to get so many interest groups out of local municipalities that are going to be worried about their local streets, and in Metro we had this constantly. But for the whole, it was much better to improve that road or to build that bridge.

For instance, the Humber River bridges megaproject, Toronto didn't want that to happen. But if you've ever driven along the bump there, coming in, you see why it had to be done. It was dangerous. Toronto did everything

to block that. They said it was an extraordinary expense that we were putting the taxpayer to. There's what's going to happen. All across Ontario you're going to have local interests that don't give a darn about the regional or the greater perspective in moving goods and people around.

They're going to put literally roadblocks in terms of good transportation, and on top of that, they're not going to have the money for it. Because with block funding the municipalities are going to be given the autonomy to decide where they want to spend their money. You know what happens at local municipalities when you tell the taxpayers and the politicians: "You just can't blacktop this road forever and put a slurry seal on top of it. You've got to rebuild it from the core because it's going to cost you so much in repairs and damage that you've got to do things right." What politicians do is they tend to put that off and say, "Oh, no, we've got to keep the tax rate down this year," so they keep on putting the necessary road repairs off. Municipalities are going to be strapped for money, so you're going to have—

Mr Pouliot: Shameful.

Mr Colle: That's exactly what you're going to see accentuated as you download this money, because the municipalities are going to have the choice. Are they going to put into roads, swimming pools? Are they going to put into libraries? Where can they get the biggest bang for their buck? I will bet you that you're going to see the roads of this province deteriorate because there isn't going to be enough money around locally to take care of our roads and there's not going to be the political will.

It's pretty hard to get people excited about repairing and reconstructing a road, but if you say, "We'll put the money towards a community centre and a new library," they'll say, "Oh great." But they'll say, "Put off the road reconstruction, rehabilitation, put it off, put it off." As you know, you put it off and the costs are going to go through the roof.

I don't know how the province is going to direct that or how it's going to manage that, put in guidelines to ensure that you get these roads up to a certain standard. Whether you like it or not, a road like Highway 2, even if they say it's now municipal, still connects a lot of little communities. If you've got the Queen Elizabeth Way, you can say that that's going to be an Etobicoke road. It's not an Etobicoke road. It has interregional interests. People from all over southern Ontario will use the Queen Elizabeth Way, so it just doesn't make sense to give Etobicoke the responsibility or give Toronto the responsibility or give Mississauga or whoever is going to have responsibility, because they refuse to tell us which part of the Queen Elizabeth Way they're going to download.

Mr Preston: They told us this morning.

Mr Colle: No, they haven't. They told you, they didn't tell me. I asked for it, they wouldn't give it to me.

Mr Pouliot: Oh, so they told you, sir?

Mr Colle: Could we have that straightened out then?

Mr Preston: They told the committee this morning what part of the Queen Elizabeth Way—

Mr Colle: Which part are you going to download, Minister?

Hon Mr Palladini: It's not downloading. I hate to refer to that word "downloading."

Mr Kells: Maybe it's unloading.

Mr Colle: Unloading, offloading.

Mr Pouliot: They told you, Peter. You know where to start.

Mr Preston: No, you were here. Maybe you weren't here. It was one of the times that I was here.

The Chair: Are we getting a response to Mr Colle's request?

Hon Mr Palladini: Yes, as far as the transferring of Highway 427—

Mr Colle: Queen Elizabeth Way.

Hon Mr Palladini: Just east of the 427 basically, I guess, that would be the area you're referring to that we would be—

Mr Colle: From 427—

Hon Mr Palladini: Just east of that, to the border of Metro, obviously, to the Humber River, to the Humber bridge.

Mr Colle: All of that would be in Etobicoke then—wait a minute, now. Who are the jurisdictions we're dealing with?

Hon Mr Palladini: You want to know what municipalities it affects.

Mr Colle: Yes, it goes through.

Hon Mr Palladini: I guess it affects a portion of Mississauga as well, or not? Strictly Metro, Carl? Okay.

Mr Colle: So it's just in Etobicoke's portion?

1130

Hon Mr Palladini: Or Etobicoke, I should say, yes.

Mr Vervoort: Specifically with respect to the QEW, the candidate highway at this point would be from Highway 427 easterly. My understanding is all of that is within Metropolitan Toronto and I believe the greatest majority of that, if not all of it, is within Etobicoke.

Mr Colle: So it's basically going to be Etobicoke's—okay. Thank you.

Anyway, I would just say I hope the minister sets down some guidelines to ensure that these highways which are going to be given to the municipalities have the resources and the wherewithal to meet standards because deterioration is historic, if you look at what's gone on in processes across Ontario.

The other thing I want to ask the minister about is, you said that GO Transit, for instance, is going to benefit and have great potential benefits by deregulation. If you have deregulation and you've got these little minibuses running around deregulated, poaching on GO Transit bus routes, how is that going to benefit GO Transit's bottom line?

Hon Mr Palladini: I basically believe I said that I have every faith in GO Transit that it would be a viable, competitive operation. So deregulation necessarily is not going to hurt GO Transit. What I believe I did say is that I have every faith in GO Transit that they will be able to compete in order to stay in business, in order to attract business, in order to grow. That's what I believe I said.

Mr Colle: No, but I'm saying, you talked about this one little bus company that's got these little minibuses. Let's take some of the GO routes all over the GTA here, and you've got these little, independent bus operators. With deregulation, they're going to find out where the

passengers are on GO routes. They're going to try and be there on those same routes and take part of that business. I mean, that's in the nature of competition. How is that going to help GO Transit? Won't GO Transit basically get to the point where it won't be able to afford that route? It'll have to remove itself from that because it'll be an open field because of deregulation.

Hon Mr Palladini: I guess you're really going beyond where we've gone at this point. We are still in a process of putting things together and taking a look at how an orderly deregulation is going to happen. We are going to do it in a very orderly fashion.

But the other element, too, I think is partial. I don't see, especially in the metropolitan area or in the greater Toronto area that you're going to see a 12-passenger club wagon acting as a bus, because I still don't feel that this is going to be the people we are going to be attracting. Possibly in rural areas and small towns, there are going to be opportunities for small entrepreneurs to basically do just that because they don't need a 48-passenger bus, they don't need a 36-passenger bus. Possibly, to go from one town to another, a 16-passenger club wagon might suffice. But the key here is that maintenance is still going to be maintained. Safety is still going to be maintained.

Mr Colle: I'm not worried about maintenance. I'm worried about running—right now, GO has some very profitable bus routes. It's going to be a free market, remember. How are you going to stop, let's say, a Quebec operator? They find out they can make some money by coming into Ontario and maybe picking off the Hamilton to Union Station run that GO runs right now. As of April 1, what's going to stop a Quebec operator from coming in here and taking that route over?

Hon Mr Palladini: First of all, I doubt very much that that would happen as far as GO, and I guess you're relating to GO. Let's not forget the fact that GO is subsidized by the government and it's difficult enough, even with government subsidies. So for a private operator to come in and compete with GO, I don't know what their success rate would be. So I just don't want to go that far ahead and basically have people thinking that here we are and we're going to have all kinds of people competing with GO, or TTC for that matter—

Mr Colle: No, no, I didn't say TTC.

Hon Mr Palladini: I know you did.

Mr Colle: Because you said this is going to be outside of Metro, Metro's not going to be affected.

Hon Mr Palladini: But just keep in mind the fact that GO is subsidized to a great degree and how is a private entrepreneur going to come in the GTA area and basically compete head on with GO? But if that were the case, I still feel that GO has an opportunity here to expand on their services because of the fact that competitiveness is going to be a big part of that delivery.

Mr Colle: Wait a minute. How are you going to be competitive when the Quebec operator's going to come in here, he or she's going to be allowed to come in here, and run bus routes in Ontario? How are you going to stop them, because you're going to be deregulated, and April 1, remember, you have no more regulation, basically, because that board is gone that used to regulate the bus routes. How are you going to stop Quebec poaching?

How are you going to stop the cherry-picking? As you know, that's what happens with deregulation, there's going to be cherry-picking, because the private sector, these little independent operators, won't pick the losing routes. They'll find the best, most profitable routes and those routes right now are probably ones that GO has, that Greyhound has, whoever has. They're going to go and try to pick those routes, because they know they can make money on them. They're not going to take some route maybe to Dunnville there because maybe there's no money in that route, so they're going to look—

Mr Preston: They'd have to do a better job.

Mr Colle: No, they're going to have to find a route that's going to have passengers. So right now, most of those routes GO has. So how, as of April 1, are you going to stop, whether it be the Quebec operators or the independent cherry-pickers from coming in here and picking the routes? Because as you know, Minister, right now, one of the beauties about the regulation is that the carriers have to provide a service also, so they take the good routes that make money, but they also have to offer some of the less profitable routes, so that everybody across Ontario will get some level of service. They have that obligation. When you get rid of the transportation board April 1, what are the protections from the cherry-pickers and from the Quebec operators?

Hon Mr Palladini: I thought I made it very clear that deregulation is not going to take place until January 1998, and I also thought I made it very clear that as of April 1 we are going to have another body in place to certainly help us get to the point of full deregulation as far as January 1998. So we are going to have things in place. People are not just going to be allowed to come in here and drive down Yonge Street—

Mr Colle: No, no, remember, I said—get out of Metro. I'm not talking about Metro.

Hon Mr Palladini: No, no, Yonge Street in York region competing with GO in setting up a bus route, because it's not that simplistic.

Mr Colle: Okay, so you're not going to allow these independent operators, then—and I have your commitment there that you're not going to allow these independent operators to poach, to cherry-pick GO's routes. You made that commitment.

Hon Mr Palladini: We've been saying that all along, that we are going to be doing things in a very orderly fashion, so we are not just going to allow people from Quebec to cherry-pick routes in Ontario. We are not at that stage as yet. Once full deregulation is in fact in place, then obviously there are not going to be that many safeguards for people outside of Quebec coming in and opening up and trying to establish a bus route and competing with Ontarians. I mean, that eventually might happen.

Mr Colle: So from 1996 to 1998, you're not going to allow the cherry-picking of GO routes, then?

Hon Mr Palladini: That was never the intent. I'm surprised that we would assume—

Mr Colle: You're getting rid of the regulatory body. You've never made an announcement that there's going to be regulation after April, because—

Hon Mr Palladini: Yes, we have.

Mr Colle: You said April 1 the regulatory body is gone. So if you want to regulate, why do you want to just change bodies? Why not keep the body that's there now? What's the problem?

Hon Mr Palladini: Because we feel that the way it's set up it's not working and we want to come up with a better way. We feel that what we are going to eventually implement is going to work. And yes, we did make an announcement, we did share with you that we were not just going to walk away and dissolve OHTB and go on. That was not the case. So, David Guscott, would you please bring us up to date exactly where we are and what potentially we will be doing?

Mr Colle: You can bring him up on your own time. Okay? I just want to make sure that I'm clear on that. So April 1 there's not going to be deregulation, there's still going to be regulation. That's all I want to get clear.

Hon Mr Palladini: So I guess you don't want the answer, then?

Mr Colle: No, no—

Mr Pouliot: He wants to ask you, you're the big guy.

Mr Colle: On your time, I'm asking you. Remember, you're the minister. You can't always push the tough questions off to your helpers.

Hon Mr Palladini: I answered your question, I thought. But you want the details of how we're going to do it and that's what he's going to give you. So I've answered your question.

Mr Colle: No, no, what I've asked is, April 1, you're going to continue with regulation, basically.

Hon Mr Palladini: A form of regulation set up not exactly the way it is presently, but there is going to be a form of regulation in place to get us through to January 1998, yes.

Mr Colle: So it's going to be like semiregulation that's going to be put in place. Anyways, listen, I'll get off the bus here right now. Okay? How much time have I got?

1140

The Chair: He wanted some time.

Mr Colle: I'll take one more minute. The other thing I'd like to have clarified, if I could, Minister, is that earlier this year—in fact, twice—there were some announcements about cutbacks in the provincial operating capital budget. The first one I received was—I'm just trying to think. Yes, this one was in July and there was Ministry of Transportation—the only reductions I saw were in regional operations division, \$1.6 million, transportation infrastructure support, quality and standards, \$5 million. Then, later on in October, there's another series of cuts, and again, I looked through the list and there's savings through the sale of uncoaches, GO Transit operating subsidies reduction, corporate in-year savings, it goes on and on, but in none of these listings do I find any reference to the \$6.9 million or \$7 million you made to winter road maintenance. Where is it on the announced cuts that you've made, this line item?

Because I know in local municipalities and at Metro, when we cut something as important as winter road maintenance, it's a line item, and we debate it at the table because a lot of people are concerned about road safety. So it's usually there in the line item and we, as council-

lors, will say: "Well, listen, we don't really want to cut road maintenance. We should maybe take it out of another budget because road maintenance is something you can't cut."

I'm just wondering where it is in the information that you've passed forward, for instance, in the October or the July items.

Hon Mr Palladini: As far as a line-for-line breakdown, I really don't have that information handy. The \$6.5 million was part of the overall business plan, part of the overall picture. If you would like a line-for-line item, I believe David Aronoff—is David here? He could certainly walk us through on a line-for-line basis.

Mr Colle: But I'm just wondering, the list that you gave out publicly, why that wasn't included in October. Is it there in October's listings? It's got ministry issues, transportation, savings through the sale of uncoaches etc. It's got credit card rationalization, eliminate government fuel dispensing installations. Where is that \$6.5 million, \$6.9 million?

The Chair: Be sure to introduce yourself, Mr Aronoff.

Mr David Aronoff: Sure. My name is David Aronoff, director of the finance branch at the Ministry of Transportation.

In terms of the information on that sheet, it isn't on that sheet but it was part of our announced package. There were two winter maintenance initiatives that were part of our package and we can give you the details on that information. Why it isn't on that sheet, I can't answer.

Mr Colle: But there were two major announcements of cuts: one in July, one in October. Right?

Mr Aronoff: Sorry?

Mr Colle: There were two announcements when cutbacks were made.

Mr Aronoff: Right.

Mr Colle: And we, as humble members of the opposition, received these Office of the Premier ministry reductions releases. This is October. You know, winter is just about to come on. Why wouldn't it be included in this listing for public consumption? Is it there?

Mr Aronoff: It's not there. Why it's not there, I can't tell you. It was part of the announcements associated with the October set and not the July set.

Mr Colle: Can I see a copy of that, because I never received one.

Mr Aronoff: We can get you a copy of that material. Of the winter maintenance specifically?

Mr Colle: Yes.

Mr Aronoff: We can get you a copy of the material on winter maintenance.

Mr Colle: We heard about it through the fact that graders were getting laid off. That's the only way we knew about it. We didn't find out about it through the government.

Now that you're up here I could maybe ask a follow-up to that: How much was cut in winter maintenance?

Mr Aronoff: A total of \$6.9 million—it wasn't a cut. It was estimated that we would save by different arrangements associated with winter maintenance.

The reason why one of the answers is not on the piece of paper is that it was prepared by the Ministry of

Finance and not us. That might have been an oversight on their part.

Mr Colle: So it's their fault. It's the Ministry of Finance's fault.

Mr Aronoff: No, I'm just saying that's why we were unaware that it wasn't on the sheet.

Mr Colle: So this was not a cut. It was an estimated saving.

Mr Aronoff: It's estimated savings from alternative arrangements, alternative work efforts, because again it's a cut in terms of—it's savings associated with delivering the program. We were going to be able to deliver the same program with \$6.9 million less.

Mr Colle: So you achieved that saving of \$6.9 million? You delivered successfully that program?

Mr Aronoff: We have saved, it is our estimation—the winter isn't over yet. It's our estimation that we will be saving \$6.9 million from what would otherwise have been the case, again, all things being equal. The winter snowfall obviously makes changes to the total number of dollars spent. But all things being equal, we will spend \$6.9 million less than we would have otherwise spent on winter maintenance as a result of alternative arrangements to provide snowplowing and sanding.

Mr Colle: But the number of dollars that you've spent in winter road maintenance, let's say up to now, compared to the same period last year—have you spent more or less?

Mr Aronoff: I suspect that we've probably spent more, as a result of the severe winter.

Mr Colle: So you've spent more. How much more have you spent?

Mr Aronoff: I can't answer that at this time. It's ongoing. On a daily basis, we're continuing to spend money on winter maintenance activities. By April we'll be able to tell you exactly how much we spent and how much more that was than last year. For obvious reasons, it will be larger than in previous years, because the winter was significantly harsher.

The Chair: I think we can pursue this later on. Your time is up.

Mr Pouliot: Thank you very kindly for your contribution. I thank my colleague Mr Colle. It was difficult, but \$6.9 million—I also thank my colleague the minister. If it snows, it's not unlike a forest fire. You don't question; you do what you have to do. So I can't attack the fact that Trans-Canada Highway 17 was closed for four days because you had, come hell or high water, saved \$6.9 million, because it was an emergency and you said, "We'll find the money someplace else but we will do it." Okay, I'm satisfied with that.

M. Lambert, in our riding, Lake Nipigon, 26% of the land mass of Ontario, underpopulated, of course, the road system ends in Pickle Lake. If I leave Manitouwadge and go to Pickle Lake, that's 600 miles one way, ten we charter and go to the bay for the remaining 400 miles. It's 1,000 miles long: Nova Scotia, PEI and New Brunswick put together and multiplied by two.

During the last campaign, right before that, I was at Transportation; I was at Northern Development. The reason I mention both is because there is a natural blend, alliance, traditional marriage of those two ministries to

address our special needs up north. I had made the commitment, because of its dire needs, to address reconstruction, resurfacing of some parts—not all over the kilometres but specifically, in fact meticulously, Beardmore, Longlac. I informed their electorate—they're paying for all this—and was very proud that the province could finally deliver. It was a matter of convenience, with a focus on safety. There was a timetable, albeit tentative, attached to it.

Picture this: One day at the post office, having people doubting both the integrity and the sincerity of the commitment, going door to door, becoming an apologist because somewhere in the system, somewhere in the process the commitment and the sincerity got forgotten—it was more like selective amnesia—I began to stew and I began to look at and look for people. Imagine having to add to it native-bashing, whispering vis-à-vis welfare, single parents. I felt under a state of siege.

1150

It's not that it almost cost me the election. This matters none. It's not relevant here. Much more importantly, it's the commitment. I want to know, if I may be so bold, what the heck happened to the project. Please don't tell me about environmental assessment; please don't give me a stall. Please don't lie to me. I work with professionals. Please tell me when we will have a shovel in the ground. I trust you, M. Lambert, and I'm listening to you.

The Chair: Mr Lambert, if you could introduce yourself.

Mr Larry Lambert: Thank you, Minister. My name is Larry Lambert. I'm regional director in the northwest with the Ministry of Transportation. The member is absolutely correct in his reflections that in the spring of 1995 the northern capital highway program was jointly approved by the two ministers, the Ministry of Transportation and the Ministry of Northern Development and Mines. In that approved and publicly announced program, as he suggests, were three projects between Beardmore and Longlac.

For those from Hagersville, if you leave Thunder Bay and go 100 kilometres east, it's Nipigon. At that point Highway 11, the Northern Route, goes about 80 kilometres due north, up the side of Lake Nipigon. At that point then is Beardmore. From Beardmore, if you go east about 100 kilometres, you will go through Jellicoe, through Geraldton and arrive at Longlac. From there, it's two hours' hard drive to Hearst. So that section from Beardmore to Longlac had three projects announced. If I may, I'll go through the three projects.

The first one was announced early in the year. It went through a competitive tender; it was awarded. In June, certain events overtook all of the capital construction projects. There was a request that we review and pause all of our capital construction projects. That first project was under way at that point.

Mr Pouliot: It was twisting in the wind.

Mr Lambert: That project was under way at that point. It had been awarded. There was a contractor onsite, the pavement was ripped up and an exemption was given to that project and it proceeded without any interruption. That project was completed late in the fall of 1995, \$3.3 million, and accomplished all that had been provided.

That project ran from Beardmore to Jellicoe. That's the first of the three projects.

The second project then, immediately east of that, between Jellicoe and Longlac, was a small \$1-million project. I believe it was described in the news release as shovel-in-the-ground activity. It was a series of minor sections of repavement and a series—

Mr Pouliot: With the signs and the detours.

Mr Lambert: No major signs, but selective repaving, frost heave treatments, and the sole purpose of that was to make Highway 11 driveable until we could get to the major project. That second project had gone out for tender. It was not awarded when the pause came. It was released in September, and in September there was not time to retender, so we broke the project into two pieces. We negotiated a portion of it between Jellicoe and Geraldton, and that was completed to the satisfaction of the mayor of—

Mr Pouliot: I appreciate the courtesy of political engineering. When are we going to get the shovel in the ground? Because you see, Larry, in despair I called Jack Kevorkian.

Mr Colle: Who's Jack? Let us in on this.

Mr Pouliot: I called Jack Kevorkian. I'm thinking of his words. He said: "Don't do it, Gilles. Call Transportation." When are the good folks who are paying your wages and my wages going to see the shovel in the ground?

Mr Preston: You didn't get good advice.

Mr Lambert: The first project was totally completed within 1995. The second project was broken and partially completed within 1995.

The third project which was committed was a major design-build project between Geraldton and Longlac, in excess of \$10 million, total reconstruction, three new bridges, a major new process of design-build. To put it out, hopefully substantially more expediently, with some substantial cost reductions—

Mr Pouliot: When?

Mr Lambert: That project went out for request for qualifications and expressions of interest in late spring 1995. In June, that project was also put under review. Nothing happened on it until a decision was made on October 19. On October 19, the ministers jointly reconfirmed that this project would proceed in its original fashion.

The statements of interest were opened; the consortia were short-listed to three. They are actively working to finalize their final proposals at this point. Five weeks from yesterday those will close, and our expectation would be that following the review, if we get acceptable proposals at an acceptable price, we would see an award in April and the shovel in the ground shortly thereafter, as the engineering work proceeds. That project is still on the same schedule for completion by the end of construction season 1997.

Mr Pouliot: Just 30 seconds. This is very good news for the people of Lake Nipigon. I have a reputation for not being partisan, so I will make sure that I convey the good news, on behalf of the present regime, to the people of Lake Nipigon. Thank you very much. You've made my day and the day of the people up there.

The committee recessed from 1157 to 1334.

The Chair: Let us resume. When we broke for lunch, Mr Pouliot had the floor and I think he had exhausted 15 minutes of his time so far.

Mr Pouliot: Thank you very kindly. We had just talked—Lillian, Alvin and I—vis-à-vis the estimates time allocation, which is to conclude, to terminate tomorrow. It's our understanding by previous notice and reminder that the minister is unable to be with us tomorrow. It's also our understanding that the parliamentary assistant, the person who drives the car, will not be with us.

We had hoped that we would be able to quiz the minister. After all, the minister is the one who gets paid the big dollars. The minister is a reasonable facsimile of Chairman Mike, who really calls the shots, but we're satisfied. It's also a rare opportunity to meet face to face.

Mrs Ross: Mr Chair, on a point of order.

Mr Pouliot: It's my time.

Mrs Ross: On a point of order: With respect to the scheduling, last week we spoke about the schedule and the fact that the minister was unable to be here. We could not get unanimous consent to reduce the Housing hours in order to push everything up, so we agreed we would go ahead with the schedule as is, with staff here, tomorrow morning. I just wanted to put on the record again that it was an agreement of all three parties.

The Chair: I don't think there was unanimous consent about that.

Mr Pouliot: I welcome the interjection. My good friend, with respect, will learn in relatively short order that when resources dwindle, when your research department is somewhat scattered and when you're allocated one half-hour, you wish to make sure at this stage of estimates, and when you hop from committee to committee you wish to make doubly sure, that everybody understands what has been conveyed.

We would acquiesce in the opportunity to have ministry personnel so we can direct our questions in lieu of the kind proposal, the alternative, to reschedule at a later time. At the mine, we used to call this, "Trust me till payday." Sometimes those paybacks never come, so, with respect, we'd rather proceed tomorrow. It's only a half-day, and we're quite comfortable to address the ministry—if it's okay, of course.

Mrs Ross: We agree.

The Chair: Is that agreement of the Liberals too? Okay. Let's proceed. I want you to understand, Mr Pouliot, that the time you used a minute ago was your time.

Mr Preston: You should have just said yes.

Interjection.

Mr Pouliot: I will have my good and distinguished colleague speak to the point on some legitimate requests and concerns vis-à-vis transportation in Ontario.

As I looked at the 1995-96 estimates briefing book—and I'm sure we will spend the time it deserves to pass the estimates—on page 57, "Remote aviation statistical data," I need help. There's a total of 24 ministry-owned and ministry-operated remote airports; 11 of them are in the riding of Lake Nipigon, including Fort Severn, which is the northernmost community in the province. Those remote airports are a life link to amenities that others, only too often, take for granted. The conditions are not

somewhat but at times entirely different, so we rely on those airports. We have no road system for 400 kilometres leading to the bay.

People aren't rich. They have very little there. It's a long story, and we're all somewhat aware of it. Someone in the ministry could perhaps tell me if any changes are being contemplated under the "opportunity for saving." I heard you: There are ways to save money. I know what you people intend to do. Politically, I disagree, but I'm going to leave it at that because at least it's philosophical and I can live with that. I won't bore you—you deserve better—by saying, "Not you, not me, but the fellow behind the tree." That wouldn't be fair.

But when we look at places like Wunnumin Lake, Kingfisher, Armstrong, Pickle Lake, Kasabonika, and the list goes on, for the few dollars one could save—I'm not talking about municipal airports; I'm talking about remote communities—one would risk to dislocate. You would not be attacked if you could meet your commitment—we're not talking about a lot of money—outside of these northern reserve airports. Trust me in this case. It's all we have. There's no road system. You provide an excellent service. You administer the airport. It's costly but it's not extraordinarily so. That's the only plea I want to make, let's keep in mind, when it comes to remote aviation statistical data. If we superimpose this with a financial plan to, if at possible—it's working well and we're very appreciative to leave it alone.

1340

Hon Mr Palladini: If I may have an opportunity to address that, even though this government is attempting to become fiscally responsible, I'd just like to point out to the honourable member that the federal government is also looking for ways of getting out of subsidies as far as airports are concerned. Certainly we mean to become fiscally responsible in the province of Ontario, in the way it's governed, but I just want to say to you that nothing at this time is planned for any changes. We supported it last year and at this particular moment nothing is planned.

Mr Gilles Bisson (Cochrane South): How much time, Chair?

The Chair: You've got five minutes.

Mr Bisson: All right. You made a comment yesterday, Minister, that in your approach to managing the Ministry of Transportation, like other of your colleagues in government, you were under the impression that there were expenditures that were being expended by former governments, including ours and the Liberal government, that were unnecessary. I'm just wondering if you can tell me—just bear with me and go through this a little bit—where all this unnecessary expenditure is, because you left the impression that there's a whole bunch of money being spent in your ministry that is not needed to operate your ministry. I'm just wondering where all these savings are and where all this money is, so I'd just like to go through some of it. Or maybe just generally, where are all the expenditures being wasted, in your mind?

Hon Mr Palladini: I believe that my remarks yesterday were certainly not zeroed in on any particular ministry. I basically made a reference to the way governments in the past two decades have spent money.

Mr Bisson: But where in your ministry?

Hon Mr Palladini: When you take a look at the provincial debt that was inherited back in 1985 and the provincial debt we are presently stuck with, I think that in itself is enough of a reference that obviously we were spending a lot more money than we were taking in, unlike a good business.

Mr Bisson: Let's try it the other way.

Hon Mr Palladini: They should spend within their means, and this is really what this government is committed to doing, spending within our means.

Mr Bisson: Let me ask you a direct question: How much money is being expended by the Ministry of Transportation in total for this year, capital and operating—ballpark?

Hon Mr Palladini: I believe we're looking at around a \$1 billion as far as—

Mr Bisson: You better tell the minister how much money he's got.

Mr Pouliot: But he's living within his means.

Mr George Davies: The estimates that you have in front of you, as you can see, are for approximately \$2.5 billion, and the cuts that were announced by the government on July 21 are outlined in the last page, so it's that net amount which is the amount that we're dealing with for this past fiscal year.

Mr Bisson: You've given me an answer, but the question I want to ask the minister is that you're saying there's been a whole bunch of unnecessary expenditures because of the size of our total debt in the province of Ontario, close to some \$100 billion now. Your assertion is that there's all kinds of wasted money there that was expended by Conservative governments, by Liberals and by New Democrats. I'm just asking, where's your share and where's your admission in your budget where a whole bunch of money has been spent that is unnecessary? I want to know where unnecessary expenditures are in the Ministry of Transportation. Is it in snow removal, winter maintenance? Is that it? Is it winter maintenance, Minister? Is that where we don't need to spend money, we're spending too much money now? Is it in capital infrastructure for upgrading roads to standards?

The Chair: I think he wants to answer.

Mr Bisson: I'm just giving him a couple of suggestions.

Hon Mr Palladini: If you're looking for a complete breakdown, I'm not in a position to share that information because I don't really have it at hand—

Mr Bisson: That's the point, isn't it?

Hon Mr Palladini: —but I'm sure we can get it for you. But just one small part we were able to do and still function and still perform and remain within the standards of services is winter maintenance. If we had not done business in another manner, we would have spent \$6.5 million more, even though we've had a very severe winter.

Mr Bisson: There are graveyards of people who are now lying six feet underground because of that policy decision. We'll get into that one later.

Hon Mr Palladini: I don't believe that this government is responsible for that.

Mr Bisson: We'll come to that a little later. What I want to get to is that you're saying that there's all kinds of wasted expenditure in government, that government is just blowing the load on absolutely everything it does and somehow it's—

Hon Mr Palladini: I'd just like to have the money your government committed to spending on Eglinton subway. I'd just like to get that money back and see how many more roads we could build with that.

Mr Bisson: I want to see what parts of your ministry are unnecessary. Is it winter maintenance? Is that unnecessary? Is it the transfers we do to municipal road budgets? Is that unnecessary? I want to know where the unnecessary expenditures are.

Hon Mr Palladini: I think this government has shown that it wants to govern based on priorities and based on needs—

Mr Bisson: No, I would say you're governing on rhetoric.

Hon Mr Palladini: —contrary to the last government.

Mr Bisson: And if you were clear and if you were honest in this committee—

The Chair: Mr Bisson, let the minister respond, if you want a response. There are two speaking at the same time. What would you like? A response, or would you like to continue? Which one do you want?

Mr Bisson: I've only got two minutes so we're going to come back on this issue a little later. The point I'm trying to make is that certainly the minister, like any minister, like my colleague beside me, has a responsibility to manage the Ministry of Transportation better. My minister, Minister Pouliot, and others, cut expenditures of the Ministry of Transportation and expenditures they thought were in keeping with trying to deal with the expenditure control plan. I applaud the minister for trying to run the ministry more effectively.

But the point I'm getting at is that I think it is not honest on the part of a government to say, "This is all money that's been wasted." The money that's been spent—it's not a question of having been wasted. It's in the ground, it's in projects that have been utilized in the province, in our health care system, in new highways that were built. That's not wasted money. That's a question of priorities. If you want to talk about priorities, that's one thing. But don't talk about the money we spent on building a second river crossing in Timmins as wasted money, because I take some exception to that.

Mr Rollins: I've got a couple of questions. Minister, one of your experts has stated that the A-train system of trucks truly isn't the answer to everything because all loads can't be handled on that type of configuration, particularly longer loads. Is there anything the ministry is going to try to do to encourage that type of vehicle on the road? They are more road-friendly than probably any other configuration of trucks.

Hon Mr Palladini: Yes, I believe we can, especially with consultation within the industry and with the industry in getting their input. I believe we can come up with remedies and do an orderly phase-out of certain equipment that right now is proving to be hazardous to our infrastructure. These are some of the reasons I did not agree to sign a unilateral agreement on the weights

and measures with the rest of Canada. I believe I have a commitment to the economic benefit of the province of Ontario and I want to implement the right changes that are going to be in the best interests of Ontario from an economic sense, but at the same time getting input from the industry to see how quickly we can react and phase these changes.

I have Rudi Wycliffe here, who could maybe elaborate in more detail and be specific on the type of equipment we are talking about, if you're interested in knowing exactly that.

Mr Wycliffe: Rudi Wycliffe, acting assistant deputy minister, safety and regulation. In response to the member's question, the first point I want to make is that the preferred configuration we were talking about earlier at this committee is what we refer to as a B-train. I described that yesterday as a tractor-trailer-trailer configuration with two fifth-wheel connections, as they're known in the industry, between the tractor and first trailer and the first trailer and the second trailer.

That configuration has major benefits, both economically, because we allow it under the maximum weights under the Highway Traffic Act in Ontario, and from a safety and performance standpoint, in terms of stability, turning circle and performance.

1350

The issues, as the minister has pointed out, deal with the laws as they exist in Ontario, and they have not changed in a number of years, with some minor exceptions. Ontario's weight laws have been—I think the term to describe them is quite permissive. We set a general maximum in weight; 63,500 kilograms is the maximum weight allowed under the Highway Traffic Act. There are regulations under the Highway Traffic Act that prescribe various internal vehicle dimensions such as wheel bases, axle spacings, the number of axles and so on.

Recent legislation increased the trailer length to 53 feet and the B-train combination length to 25 metres, or approximately 82 feet. Those two pieces of legislation were accompanied with some very specific and strict limitations on how you could configure those vehicles: no airlift axles on those configurations; mandatory underride protection at the rear of the trailer so that cars could not slide underneath them, incurring much more severe damage and injury upon collision; and retroreflective markings on the trailers to make sure that in reduced visibility situations there was a maximum of opportunity for other drivers and road users to identify those vehicles on the road.

The issues surrounding vehicles, as the minister has said, pertain to the vehicles that have evolved in the province over the last couple of decades. Those of you who use the highway system and the municipal road systems will see all sorts of configurations on the road that suit various industry- or commodity-specific groups and suit either Ontario's weight laws or in many cases some of our neighbours' weight laws.

The major issues of concern to the trucking industry, as the minister has said, from an economic point of view are, what are the economic losses by either totally outlawing some of those vehicle configurations or severely restricting the carrying capacity of those vehicles? The

economic studies that Mr Guscott, my confrère here, elaborated on yesterday outlined the approach we have undertaken to provide that information to the minister in order for him to decide which direction we should go in terms of those weight laws.

Mr Rollins: The 83-foot length is only permissible in that B-train series, though, is it not?

Mr Wycliffe: Precisely. It is limited to what we call a Transportation Association of Canada-specified B-train, with a maximum of eight axles, three on the power unit, two or three on the first trailer, two or three on the second trailer, no airlift axles, some very specific controls on the length of each of the trailers, the underride protection that I talked about and the retroreflective markings, or as they're called in the regulations, the conspicuity markings. They're very strictly controlled in Ontario and in most of the other provinces in Canada as well.

Mr Rollins: And I hope we keep it very strict, because when you stop and think of an 83-foot piece of equipment moving down the highway at 100-plus clicks an hour or right around that, it's certainly a big piece of equipment going down the road and we need to be very careful with it.

Due to the fact that we have some local inspections, particularly out in the outlying areas of our small municipalities—we hear it in our office and I'm sure other offices are hearing it too. Some of the inspectors, for clearance lights and things like that, which is maybe a minor misdemeanour, particularly if it's not a brake light or a signal light, only a clearance light—some of these inspectors are being very exuberant about fining some of these people. We know the safety standard is close to being that there are clearance lights, and yes, if a clearance light is out. Is there any push from the ministry that there should be a heavier penalty for these?

Hon Mr Palladini: I'll turn it over to Rudi because he can elaborate quite a bit more, but I believe the commitment we made when we did our road safety announcement back in October, the Solicitor General and the Attorney General and I, is that basically we're going to be recommending higher fines, and that in essence is what's happening. We are in the process of getting that, but I'll let Rudi highlight a little more on that.

Mr Wycliffe: As the member suggests, the ministry has reacted over the last year to the continuing record of the trucking industry in terms of collisions, serious incidents, tragic incidents. At our roadside inspections and our off-highway safety audits, which we conduct as part of our commercial vehicle enforcement program, we have been focusing on the mechanical condition of vehicles. We're very concerned about it.

I want to emphasize, first of all, the inspection standards we follow. Ontario has been a member and an active participant in an international association called the Commercial Vehicle Safety Alliance. The acronym is CVSA. CVSA in the last decade, working with the jurisdictions across North America—the Canadian provinces, the federal government, the American states, the federal government in the United States—and the trucking industry, the insurance industry and the manufacturing industry, the people who manufacture trucks, trailers and safety components of the vehicles, has

developed what are called CVSA inspection criteria, an inspection standard, and what are called out-of-service standards.

Those out-of-service standards pertain to the major, what are called, critical safety items on a vehicle. I think there are 11 of them and I'm going to name some of them off the top of my head. They are things like the integrity of the steering system, the integrity of the braking system, the integrity of the frame or structure and springs of the vehicle, wheel attachments and some of the safety signalling devices such as lights and signal lights.

The out-of-service standards are not just one little item and you're out of service. In many of those cases you can have a number of things wrong, and they are called defects, but it will not result in the vehicle being taken out of service. For example, on brakes, when we deal with the adjustment of air brakes—and air brakes are very different from car brakes; they do go out of adjustment and they have what's called a slack adjustment on them—20% or more of the brakes on a vehicle have to be out of alignment, out of adjustment, before we take the vehicle out of service. So you can have, for example, on an 18-wheeler, a brake out of service and we will allow that vehicle to proceed.

Incidentally, I want to emphasize that our inspectors have all gone through a two-week training program on the CVSA inspection procedure and the out-of-service standards. They are all retrained and requalified annually to those standards, and approximately 25% of our inspectors are licensed mechanics.

Until recently, when we took a truck out of service, we told the driver or the company, "You get it fixed or bring it back into the safety standards that exist and we will allow it to proceed." We weren't satisfied that that was having any effect on the industry. Our next step was to say to our officers, "There are various tools at your disposal under the Highway Traffic Act and you can lay charges." Quite often, a truck that's out of service reflects the fact that the driver did not follow the requirements of the Highway Traffic Act and do a pre-trip inspection on the critical safety items of the truck.

If the truck is taken out of service for defects that could have been and certainly should have been detected by a driver properly doing that pre-trip inspection, we can and frequently do charge that driver with failure to do a pre-trip inspection, or if the driver has a documented pre-trip inspection that he or she claims to have done, we will charge him for falsifying that inspection.

In the severe cases, we will charge the driver for driving an unsafe vehicle. Those charges exist under the Highway Traffic Act, and in addition to taking the truck out of service and basically saying that truck doesn't go anywhere until it's brought into safety standards, we will lay those charges. If convicted in the courts, those charges will go on the operator's commercial vehicle operator's registration, or CVOR.

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We have added one more step in our severity of dealing with truckers, and that is, where we find a severely unsafe vehicle, our officers have the authority under the Highway Traffic Act to remove the plates on the vehicle and require that vehicle to have a complete

safety inspection under the requirements of the Highway Traffic Act. Basically, that truck or trailer or combination has to be towed away or put on a float and floated away, completely reinspected, and proof of inspection brought back to our officer before the plates are returned to the owner.

Mr Rollins: One other area that I think we all see, particularly people who are in the smaller areas, is we have a lot of vehicles, a lot of older cars that are on the road, that would not pass safety inspections if their ownership changed. Is there any thought from the ministry to bring in a mandatory inspection of vehicles over a certain age to try to remove those vehicles from the road, because we do know they are problems?

Hon Mr Palladini: Thank you very much for the question. Let me assure you that we will never stop to try to find ways that will help us make our roads the safest in North America. We have given it some thought and so it is in the talking stage, and certainly we are looking to see how best we might be able to implement that. But it does take time in order for us to—here we are, we are the type of government that basically is saying we want to get out of the regulation business, and the last thing that we need to do as a government is bringing in more regulations.

We are going to be working on this in a way that if it can be implemented—but we must need industry input on this before we even consider regulating it. Certainly it's a good avenue for us to pursue, possibly by making something mandatory once a vehicle is five years old or 100,000 kilometres or 200,000 kilometres. There are some things that we can consider in implementing it, but at this point in time I'm not really in a position to say to you that, "Yes, we are going to be doing this within the next year," because that would not be the case, but we are looking at it.

Mr Rollins: Okay. Thank you. One other thing, with the number of employees that we have—

Hon Mr Palladini: I'm sorry, Mr Rollins. If you want some technical explanations, Rudi can certainly give you some more.

Mr Rollins: Yes. Because I'm in the service station business and the repair business also, I realize that we see a lot of vehicles on the road that are 10 or 12 years old and they've got defects with them, no question about it. But because the ownership has never changed, nobody ever picks up on them, and you can be allowed to drive on bald tires and a few things like that. How many times does that car go on down the road and have an accident? I know if it was an accident taking the life of one of the members of your family or mine, you'd be very upset about it. I think we owe the public that, to make sure those vehicles stay a little bit on top of it.

I think every three years Alberta has to have one done. British Columbia, I believe, has to have it done every year. There are different criteria in different provinces, and I think we're one of the more lenient ones. I'm glad you are taking that into some consideration.

The Chair: Mrs Ross wanted a quick one.

Mr Barrett: Just a quick comment on that. I've had some discussions about this as well. I just want people to recognize that there are certainly a cadre of people who

have older vehicles, of course antique cars and classic cars, that are very well maintained, as you know. I know some people are concerned that everyone may be dragged into the same net, and I would hope any of these initiatives would certainly take into consideration the money and the expertise that's gone into fixing up some of these vehicles that, as we know, are very mechanically sound. I just wanted to mention that.

Mr Rollins: Yes. They have a separate licence plate on those older vehicles, and there's a little different standard for them than what's on the cars of the streets of Toronto.

Mrs Ross: I want to continue along that line just a little bit. I have an article here that was in the *Hamilton Spectator* about the blitz that was put on to inspect trucks. One of the drivers stated that he could leave in the morning and the truck would be fine, but as he's traversing on his way some of the nuts and bolts might come loose. Is that true? Let me just see what it said here. It said, he "checks his truck before setting off on a trip and complained that things go wrong once he's on the road. Lights, locks—items can fail and it's not his fault."

Mr Wycliffe: If I might, Mr Chairman. To some extent that is a very valid statement, that there are many components on a truck, particularly a transport truck compared to a private car that weighs probably in this day and age a minimum of 80,000 pounds, which is the standard weight of an 18-wheeler coming in from the United States and, as I mentioned earlier, up to 63,500 kilograms in Ontario. There are many components that will wear and tear—tires, brakes, wheels, wheel attachment devices, lights. And admittedly there are those times when driving down the highway—I've had it happen to me—that your headlight will burn out and maybe a brake light or a signal light will burn out. Our officers take that into consideration, but to expect more than 20% of the brakes to go out of adjustment or for wheel nuts to magically fall off the truck while it's going down the highway, I'm afraid the credibility of the ministry's enforcement officers draws the line well before that kind of argument.

There are some very fundamental issues, for example, surrounding the attachment of wheels to trucks and, as came out in the *Worona/Tyrrell* inquest, a number of problems surrounding those issues. One of the realities of attaching a wheel to a truck is that torquing the nuts on to the studs is very, very critical. You can overtorque it and create as much of a problem as if you undertorque it. If you undertorque it the nut will come off the stud. Once one nut is off on an 8- or 10-stud wheel, you put a lot of stress on the rest of them. You can overtorque it and you start to put stress on the wheel rim, and we've had observed situations in the last year where the nuts have been torqued on so tightly they wear holes in the wheel rim; the rim actually comes out from around the studs and the wheel falls off.

I think I can assure you that our officers have the knowledge and experience to judge the nature of the defects on a truck and assess whether in fact that happened since the driver did a thorough pre-trip inspection, since the trucking company last did a proper inspection

and maintenance on that truck, and since the truck went through its annual required-under-law full safety inspection. Where our credibility draws a line, that's when we get into action and start to lay charges and do other things to the driver and the company.

Mrs Ross: When a truck goes on a road it's inspected, you said, once a year under this three-day cross-Canada thing, but if you don't get a truck on that day, how do you know that a truck—I guess I want to know, is there an inspection that takes place every year before a truck's allowed to go on the road?

Mr Wycliffe: Yes. Let me outline the requirements—if I might, Minister—

Hon Mr Palladini: Please.

Mr Wycliffe: —that exist under the law of Ontario, under the Highway Traffic Act, and have been adopted largely across Canada under what's called the National Safety Code and reflect very similar laws in the United States of America.

First of all, there is what we call a periodic mandatory commercial vehicle inspection. Once a year a truck and a trailer have to undergo a complete safety inspection. It's a mechanical inspection of all the safety components of the truck—brakes, wheels, tires, steering, lights etc.—and once a year you have to have a full inspection, if it's done in Ontario, by a maintenance or repair facility that's registered under the Ministry of Transportation's motor vehicle inspection station program and by a licensed mechanic who is registered under that program. The vehicle then has to carry either a sticker indicating that the inspection was done in the last 12 months or equivalent documentary proof.

The next requirement under the law is for a company to practise responsible inspection and maintenance programs on its vehicles, recognizing, as the editorial referred to, the trucks' wear and tear when they're on the road, when they're carrying heavy weights, when they're travelling hundreds of thousands of kilometres here, which many trucks do, to return the investment to the companies. A company has to have an inspection and maintenance program that allows for that wear and tear to make sure that at any given time that truck's in good condition.

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The third requirement is what we call in Ontario and Canada a pre-trip inspection by the driver—in the United States it's a post-trip inspection—that looks at, I think, 25 or 27 critical safety items on a truck and trailer. The driver either has to certify that those items are in safe working order, or identify them to somebody and have them repaired before that vehicle proceeds on the road.

The fourth inspection is the enforcement inspection done by the Ministry of Transportation enforcement officers—and I just elaborated on the Canadian Vehicle Safety Alliance inspection standards—and/or by provincial and municipal police, many of whom have also been trained by us in the CVSA inspection standards. That is an enforcement action. We are not out there to provide a service to the trucking industry, we're out there to provide a service to the travelling public of Ontario to make sure those trucks are safe.

Mrs Ross: One of the other comments in the same article was that these blitz inspections were making it tough on drivers. Can you tell me if Ontario's requirements are stricter than other provinces? Do we inspect them more often? How are we in comparison to other provinces, I guess, with respect to the trucks that are on the road?

Mr Wycliffe: I think, and this is a subjective opinion, that we have probably the best-trained enforcement officers in the Ministry of Transportation of any jurisdiction in North America and we have probably the strongest focus of any jurisdiction in North America on truck safety and mechanical safety inspections.

I would suggest that the inconvenience exists only to those drivers who are driving unsafe vehicles. If you're driving a safe vehicle—as I mentioned earlier, because our normal enforcement, whether it's in a blitz with our officers or with other police forces, we're trying to select the unsafe trucks to detect them, inspect them and deal with them—that our percentages are higher and higher in non-random enforcement actions to detect the unsafe trucks. Certainly, it's a major inconvenience and a major cost to a trucking company and a driver if we detect an unsafe vehicle and we take enforcement action. That's what the trucking industry responds to, that kind of deterrent effect.

Mrs Ross: When a truck is taken off the road and has to repair something—say it's their brakes—do they have to then repair the brakes and take it somewhere to be inspected before it's allowed on the road? How do you know he's done that job?

Mr Wycliffe: I'll give you probably the typical example: our officers working at a truck inspection station along the highway system somewhere in Ontario, whether it's at Nipigon on Highway 17 or at Putnam on Highway 401 near London. They will inspect a truck and if they take the truck out of service they will tell the driver of that truck it does not proceed until it's brought back into compliance with the safety inspection standards. The typical response is, "You do what you have to do to repair the truck," which frequently involves calling in a mobile mechanic either from the company or from a local garage, and then the officer will be called by the driver, notified that the work is done and verify that it's been done within standards and allow the truck to proceed. In the severe cases, as I indicated, our officer will remove the plates of the truck, tell the driver, "It has to be towed away, either on a hook or on a float, and you will get the plates back when you can demonstrate it was completely inspected and brought into the safety standards under the regulations of the Highway Traffic Act."

Mrs Ross: Can I ask a couple of questions about construction of roads?

The Chair: You have five minutes.

Mrs Ross: Five minutes, okay. I was trying to read through the Provincial Auditor's report to find out a little bit more about this issue, and I read that there are asphalt roads and there are concrete roads. Are most of our highways asphalt?

Hon Mr Palladini: Yes, they are.

Mrs Ross: When I was reading that, I think it said asphalt roads had a lifespan of 15 years and concrete roads were 20 years.

Hon Mr Palladini: I guess you could say 25 years. Do you want to go into some real detail? Concrete costs more money, so there are some benefits on either side. If you want some very specific details, I've got Carl and Ian, who can certainly share a lot more in detail. Is that what you want to know?

Mrs Ross: Yes. Basically, I want to touch on something they call life-cycle programs or whatever it is.

The Chair: Remember you have a few minutes to do that, so if you want to get all your questions in, then put the questions and get the answers later.

Mrs Ross: Will this take a long time?

Mr Vervoort: As I understand, your question basically is with respect to life-cycle cost. The concept of life-cycle costing is that in making the decision what to construct and when to construct it, one has to consider the life of the particular product one is building. One has to not only consider the initial cost of construction, but also consider the ongoing costs for operation and maintenance, which in the case of highways would involve things such as crack-sealing, pavement patching, repairing and a number of other activities designed to maintain the integrity of both the pavement surface as well as the substructure.

There's an ongoing maintenance and operating cost associated with a particular highway design. Then at certain intervals more intensive rehabilitation or repair work might be required. Major capital investment at the onset, a kind of flat, ongoing investment for maintenance, and a peaking but smaller peaking rehabilitation cost is the typical profile of a highway.

What life-cycle costing says is that you should make your decision on what to build and when to build it and when to make those investments in those various components on the basis of the total cost of all of those things. The concept of the net present value of that future stream of expenditures is an analysis that allows you to optimize the total expenditure. That's fundamentally what the concept is about. Of course, that entails some key decisions around the nature of the highway, whether it's the topography and the geology within which it is to be built, that are factors in determining what the expected life will be and what types of remediation work might be expected in future years. All of those factors are integral to the initial design of the facility itself.

Those are the concepts and the decision what particular type of design for a highway is most appropriate is very much related to the specific location, the terrain and the environment that the road is expected to be exposed to.

Mr Colle: It's ironic. Ministry staff have been here telling us what a great truck inspection system we have, saying we have the best one in North America. As he's talking, another truck tire just flew off a trailer on the 401 near Meadowvale. The proof is in the pudding. All the talk and all the programs that are in place—there's something wrong. It's not something that started with this minister, but there's something that has gone dramatically wrong in Ontario's truck inspection system, and to think that we're going to be able to fix this with a few promises is really doing a disservice. We need a comprehensive look at why our roads are no longer safe, why it's more expedient for trucking firms, the bad ones, to not repair their trucks and to take the fines, which are a joke.

This is continuing. We had the inspections two weeks ago: 75% of the trucks pulled off were unsafe. What does it say about what we have been doing? It says there are some dramatic problems. What we have to do is also look at the origins of this.

First of all, you've got the system now in place in Ontario called just-in-time delivery. Has anybody done an examination of what the effects of just-in-time delivery are on truck safety? As you know, with just-in-time delivery, in certain cases you have truckers who are fined \$5,000 because they're a few minutes late, because of the pressures of delivery.

This type of system may work well in warm climates or in Japan, but in Canada, with road conditions like we have today, when you put those truckers under that gun and say, "You have to be there at that time or else you get a \$5,000 fine," what does that do to that trucker's or the trucking company's emphasis on safety?

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The other inherent problem too is truck maintenance. A lot of this is done in-house by the company itself. As you know, companies are in competition for profit. It's a cut-throat business, because a lot of companies out there have gone into this field, a lot of drivers, independents, and they're all trying to make a living. But as they do this, they're all undercutting each other. Are they taking maintenance and safety procedures into serious consideration or is safety taking a back seat to profit, because it costs money to maintain and certify those trucks on a regular basis?

This is something that goes beyond what the ministry's responsibility is, but the ministry has to show some leadership here. Perhaps the whole system of devising safety and doing maintenance has to be changed, where there's an onus on the private trucking firms to ensure that their maintenance isn't taken as a secondary part of their business. Right now there's an obvious conflict between maintenance and profit. Where is the proof? The proof is the state of our trucks.

I would like to get some analysis on the number of inspectors and inspection stations there might be in a state like Ohio or Michigan. Let's get some comparisons and see what they're doing. The number of inspectors: Have we lost too many inspectors? What are the numbers we have compared to BC or to American states? We need those. If the ministry has done those already, that's great, because that helps us to find out maybe those things we've done right.

But I think there is a holistic part of the solution too, and that goes to the nature, as I said, of the business. Right now, I think that there's got to be more than incidental announcements. Trucking is going to increase. The business is obviously one of the most exponential ones. There are a lot more people using trucks on our highways. Our highways are going to be filled with more and more trucks. It's critical that this whole industry be basically revamped to make it safe for Ontario motorists and the people who ride the trucks.

The Chair: Would you like a comment?

Mr Colle: Yes, just to see if we've done these comparisons. What about analysis of just-in-time delivery and the impact it might have?

Hon Mr Palladini: I share the same concerns as Mr Colle. I believe this government has also shown its commitment to road safety. I believe we certainly have initiated some changes. I like to say that we basically have done more in the last nine months than the last two governments have done in 10 years, but obviously they're going to disagree.

Mr Colle: What have you done?

Hon Mr Palladini: Yes, they're going to disagree.

Mr Colle: What have you done? Name me one concrete thing that you've done.

Hon Mr Palladini: If you would give me a moment to elaborate, you're saying that just-in-time delivery is counterproductive. You're talking about efficiency. Let's talk about safety, because if you're suggesting that we kill just-in-time delivery, I think you're going to get a rude awakening from the industries.

Mr Colle: No, I asked you whether you've done an analysis of it; I didn't ask you to get rid of it. I said, "Have you analysed it as an impact on safety?"

Hon Mr Palladini: Let's do an analysis basically of what we have to do to get us to where we want to be. I believe that a lot of changes have begun to happen, changes that are going to prove very positive. You're going to have to be a little bit more patient. I don't like it just as much as you to see and to hear that a wheel has come off, but there are some changes. Unfortunately, for us to implement some of the changes, it does take time, but we are going ahead with the details. I'm going to let Mr Wycliffe explain to you exactly what we are in the process of doing.

As far as the comparison of Ontario versus other jurisdictions is concerned, I believe and support my staff that we probably have one of the most—it might not be looking effective, but certainly you've got a crew that's out there diligently trying to make things happen in the best interests of safety. When this government came into power, the first thing we implemented was the increase of new inspectors, of additional inspectors out there. We have done that. We have put approximately 30 new inspectors presently out there, and we are in the process of adding an additional 20. But this is only the beginning of what's going to happen. Rudi, would you please share with Mr Colle some of the other things.

Mr Wycliffe: I would like to start out by agreeing with Mr Colle. One of the things we have done under the direction of our minister is to look at the regulatory framework that affects trucking in Ontario and truck safety in particular. One of the things one can conclude is that a lot of regulation isn't the solution; the right regulation is the solution. Regulation has to deal not only with deterrent, in terms of being able to nail the bad truckers when you can catch them and make sure that there's a sufficient deterrent out there—

Mr Colle: Just one second. I just want you to be more specific. It's my time. I asked you, have you done an analysis on the impact just-in-time delivery has had on road safety? Have you done that analysis?

Mr Wycliffe: In terms of just-in-time transportation, the answer is no, there is no specific data on that. I would make a couple of points in response to that. We do know that across North America over the last couple of

decades there has been, if you like, a modal shift to truck transportation because it has met the needs of the manufacturing industry in Ontario, in the United States and across North America. The Ontario Trucking Association, for example, liked to boast, "If you got it, a truck brought it." They say 70% of manufactured goods are travelling by truck on the highways of Ontario.

Mr Colle: So the ministry has not done this analysis of the impact of just-in-time delivery.

The second question is, is there any independent comparison that's been done of our number of inspectors, our inspection processes? What I hear from a lot of truckers is that our trucking inspection stations are always closed. They know when they're closed. It's a pattern they've known for years. I'm asking, has anybody independently done an analysis to compare what we do in Ontario and what they do in other jurisdictions?

Mr Wycliffe: We are constantly comparing our enforcement efforts and our approach to enforcement with the other provinces in Canada and, through the Canadian Vehicle Safety Alliance, with what's going on in the United States.

The Chair: I have a responsibility here to share the time. Is that sufficient for you?

Mr Colle: I'll be back.

The Chair: Could I just ask Mr Cleary, then, to put his question.

Mr Cleary: I want to get back to roadside maintenance. I wanted to get back to the weeds and the brush. Is the Ministry of Transportation working with the Ministry of Environment to get a suitable spray that not only the department of highways can use but municipalities as well for brush control?

Hon Mr Palladini: I believe we are definitely working with the Ministry of Environment, because that is a concern, obviously, but if you want some details, Carl Vervoort will—

Mr Cleary: I just want a short answer on this.

Mr Vervoort: Generally, in all instances we comply with the pesticide control regulations that are in place. Any of our own personnel or personnel that we hire must be licensed and qualified to apply any of the pesticide or herbicide controls that have been formally endorsed. All of those products are controlled. I apologize that I don't know which specific ministry it is that does that licensing. Our practices are consistent with that.

We are constantly, in our vegetative management practices, in dialogue with our colleagues in other jurisdictions to determine what the most effective control mechanisms are. Increasingly, we are beginning to rely on natural vegetation as self-control in the environment so that we don't have to introduce chemicals, pesticides or herbicides to the extent that we may have in the past.

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Mr Cleary: What about the purple loosestrife? You're not a very good friend to the agricultural community, any government that allows that all over the place. It goes in the agricultural fields and all over. Farmers try to control it, but the department of highways and the municipalities—what are you doing about that? I know you brought bugs in, but how's that working?

Mr Vervoort: I can't respond specifically on the purple loosestrife, nor the effectiveness of the various practices there, other than to say that we are subject to the same requirements and obligations to not have adverse impacts on agricultural lands as any would landowner be. We are subject to the same obligations and sanctions that could be imposed if we are deemed to be in violation for failures to control pesticides or herbicides from our lands.

I will have to undertake to get back to you, Member Cleary, with respect to purple loosestrife and specific actions we're taking there. I just simply don't have that information at my disposal now.

Mr Cleary: You released the bugs.

Mr Frank Miclash (Kenora): Minister, back before Christmas you made a commitment to travel to the Kenora area to take a look first hand at some of the conditions of the highways that I was asking you about in question period, making statements about and writing you about. You did make it into the northwest, but unfortunately you didn't make it into the portion of the northwest I was sort of looking for you to have fulfilled in terms of travelling between Vermilion Bay and Kenora. I certainly have brought that stretch of the highway to your attention many times in many different letters.

What I'm looking for from you today is a commitment to fulfil that original commitment to take a closer look at that stretch of the highway by travelling that.

Hon Mr Palladini: I think you offered to pay my trip when I came up, so maybe I'll take you up on it. I'll be leaving on the 28th of this month and I'm going to be spending I guess a couple of days up in the north and I should be driving the Kenora road on March 1, I believe.

Mr Miclash: Great, and this is the stretch of highway we've been discussing?

Hon Mr Palladini: That's correct.

Mr Miclash: Okay. As you well know, I've recently written you, after a meeting actually with the Kenora area truckers association. They too have put a request in to you that maybe you may want to take that drive in one of their trucks. As you well know, this is a trucking association that is mainly made up of people who haul in the forestry industry. I'm talking of loggers, log trucks, as well as the gravel trucks and the other kinds of trucks that you would find here in southern Ontario. I would just like to remind you of that request as well and it might be something you may want to take a look at in terms of that letter.

Going back to this same stretch of the highway, and it'll be a stretch the highway on 95% of which you will find you will not be able to use a cellular telephone. They're not within range in this particular area of my riding. As I've indicated to you in the House as well, and I think I've shown you the bumper sticker which I'm sure you'll find somewhere along your travels in this area as well, it has been referred to as the death strip of the Trans-Canada Highway.

I'm on that stretch of the highway maybe three or four times a month, sometimes more, and I have to tell you that this is a very serious concern, not only for the people in the area who travel it, but for people as far away as Calgary. We have a quote after the most recent accident, where the conditions seemed to be icy and the OPP

officials seemed to be saying this may have caused the accident, but the quote that came from one of those gentlemen who was involved in that accident, three transport trucks—fortunately there was nobody seriously hurt—indicated, “We travelled from Calgary and the road conditions in northern Ontario were the worst” he had ever come upon.

I would certainly like to ensure that you are aware of some of these concerns from not only the people in northwestern Ontario, but the people who travel from across the country.

I brought to your attention, as well as that of the Solicitor General, that the Ontario Provincial Police are concerned about their health and safety when travelling this particular section of the highway. Can you tell me what you have done in terms of these very serious concerns I’ve brought to your attention?

Hon Mr Palladini: I certainly would like an opportunity to slip in a comment about the cellular phone. To my understanding, northern Ontario does not have the emergency road service. I believe that my comments were based on the GTA-Toronto area emergency road service.

Interjections.

Mr Michlash: No, Minister, they were not made in that context.

Hon Mr Palladini: Your little elaboration about bringing the phone—

The Chair: If I were you, Minister, I’d leave it alone and answer the other question.

Hon Mr Palladini: I will leave it. As far as the member is saying, number one, the northern highway programs basically come under the Minister of Northern Affairs. Certainly, I concur with the sentiments you have expressed, and I believe we are into fulfilling the commitments that have been made, and things have been going along.

There are three major projects of construction over 100 kilometres of Highway 17 between Kenora and Vermilion Bay. The ministry is also very much aware of the public interest in these projects. We agree there is a need; there’s no question about that. We’re certainly not disputing that there is a need. All the engineering work for two of them in fact now has been completed. These projects are a priority and they are going to be proceeding.

Mr Michlash: A date. Can you give us a date? That’s what I’m looking for.

Hon Mr Palladini: The only thing I really can’t say to you is give you a specific date, number one because of the monetary situation we find ourselves in, but we do remain committed. Even if I did have a date, it really is not within my realm to inform you of that because, like I said, I’m basically acknowledging the need—I have talked to my colleague Minister Hodgson—but he is the one who basically is going to be announcing when those projects are going to begin.

As far as your comments about me riding in a truck on that stretch of road are concerned, I certainly couldn’t commit to you at this point because of the timing—I really don’t know exactly my timing—but I’m sure it would not frighten me to be in a rig. I’ve personally driven rigs, I know how bouncy they can be and I also

know how dangerous they can be, especially if the roads aren’t up to standard.

As far as the condition of the roads is concerned, I really have to say to you that we do not control the weather, unfortunately. This year has been a severe winter and I believe all parts of North America have been affected. I really want to commend the job and efforts that the people of the Ministry of Transportation have done to fulfil the services the people of Ontario expect, to maintain the standard we’ve been used to. I really would like to congratulate them.

There are always going to be situations nobody can really avoid. We can cherry-pick the ones that aren’t to your liking, but there’s a lot that we perform and perform over and above the duty that was required. I don’t want to apologize because I think that the ministry has done a tremendous job in maintaining the standards.

Mr Michlash: Let’s go back to the question. I asked you specifically about the health and safety of the OPP officers travelling this stretch of the Trans-Canada Highway. They have indicated to me personally, which I passed along to you, that they feel that their health and safety is being jeopardized. How do you feel about that?

Hon Mr Palladini: You heard those comments. I really can’t address those comments because I have not heard of such comments. I’m sure the Solicitor General would have heard from his people. He would have made an appropriate comment to Minister Hodgson or myself. Nothing has evolved. I want to reinforce the commitment. We do recognize the need and we will get to it. It’s a question of dollars and cents.

1440

Mr Michlash: I came looking for some specifics. You indicated that the engineering is done. We’ve known that for a number of months now. We’ve known these studies are there. We know they have gone out to public hearings. We know that all it really needs is the signature of cabinet, whether it be yourself, the Minister of Northern Development or whoever to say, “Okay, let’s go ahead with phase 1 and phase 2.”

What I’m looking for, and maybe what’s going to come when you visit the area and go down this, will be a commitment. But I have to say the people are getting anxious up that way after they see accident after accident, fatalities, and after they hear people talk about the stretch of the highway as being the worst in all of the Trans-Canada. I certainly hope you will be able to follow up on some of what I consider right here is a lot of fluff. There’s no real substance in what you’ve told me in terms of what I’m looking for.

I go back my problem with the OPP because this really concerns me. When you’re talking about the health and safety of government employees, Ontario Provincial Police, I do really think we have a concern. When I posed the question to the Solicitor General, he had indicated to me that he’d been in conversation with you about this issue. Could you maybe elaborate on what you may have discussed with the Solicitor General in terms of the health and safety of the police officers.

Hon Mr Palladini: First of all, let me agree with you that I share the same concern. Certainly we don’t want,

as a government, to have, number one, anybody driving a road that's not safe.

Mr Miclash: But you do have.

Hon Mr Palladini: As far as the comments that were made, there was no direct comment made to me from an OPP officer based on the information you're saying. As far as the Solicitor General and myself are concerned, we did talk about the comment but again there was never a direct—at least, I didn't ask the question of the Solicitor General, but he did not give me the assumption that he was asked directly about a comment made by an OPP. It was hearsay. So we did have a comment based on hearsay.

I want to reassure you that we are committed to going ahead with this project and it's just a question of coming up with the funds so we can implement it, so we can begin. But the commitment is there. I want to reassure you of that.

Mr Miclash: The commitment has been there for a number of years, Minister.

Hon Mr Palladini: But we've only been in government for nine months.

Mr Miclash: Thank you, Mr Chair.

The Chair: You're giving up your extra time. Okay, Mr Pouliot.

Mr Pouliot: Yes, thank you very kindly. Simply put, you have \$15 billion to reconcile: \$10 billion plus the 30% tax break. You've made a commitment you wouldn't touch classroom, you wouldn't touch health. Simply put, it means that in the first term of office you will have to cut about 35% of whatever else is left out there if you live by what you say. It's very simple. It's simple mathematics. You receive approximately \$46 billion, you spend close to \$57 billion plus \$5 billion, so that's \$15 billion in one term of office. You're not going to touch health or education, they take up more than 50% of your provincial budget, and so you do the rest with mathematics. Best wishes.

I want to take the first half of this allocation to us to tap on the excellence, on the resource of our friend Rudi, with truck and highway safety. You do appreciate, certainly as much as I, and under the good guidance of Mr Davies, your DM, you go beyond the privilege—you're blessed with good people.

Rudi, you're about to become whatever you wish. You could become Smith cartage or incorporated if you wish. You could be one of those less legitimate—well, a demon or a bandit that looks at every opportunity to bypass safety. I just want to set the table a bit, and I of course need and cherish your expertise. If someone comes to you and says that truck traffic has more than doubled, is it in the past five, six, seven or eight years? A ballpark figure will do.

Mr Wycliffe: Mr Pouliot, some of the figures you refer to—I will give you a couple of statistics that I hope will answer your question. One of them is in terms of the number of entities registered under our CVOR, our commercial vehicle operator's registration plan, in Ontario. That plan was only put into place in the late 1980s, and in the fiscal year 1989-90, a total of 41,090 registrants were under the CVOR plan. In 1993-94—

Mr Pouliot: Sir, I want to save your time; you're so busy. I want to establish if it's doubled in six, seven, eight or nine years. Then I'll get the other questions.

Mr Wycliffe: I was just going to say, in 1993-94, which, I apologize, is the most up-to-date information I can provide at the moment, the total number of CVOR registrants was 73,203, so you've had an increase of approximately 75% in the number of registrants in a five-year period.

I will qualify that by saying there is no re-registration requirement. Under the CVOR program we don't have any firm way of verifying how many of those are active or dormant or inactive, gone out of business and so on, how many of them are permanent in the trucking business, but I think it is an indicator. A more precise indicator, I would suggest, is the number of operators licensed under the Truck Transportation Act or the motor vehicle transportation act, and those are for-hire carriers. In 1988-89, there were 9,000; in 1993-94, there were 23,000. So that has more than doubled in the five-year period.

Mr Pouliot: When answering my colleague you referred to a modal change, I think you said, or a transition to door-to-door, just-in-time delivery, a more intricate road system, if you wish, competitive prices and taxes or railroads—so very much in favour of trucking.

I want to go back to the safety blitz or inspections carried out. We know the numbers now. Over one year, how many people would be inspected on the highways? We're up to about 100,000 commercial vehicles in the province. What percentage of them would be inspected through a blitz?

Mr Wycliffe: Through our enforcement activities, which would be the Ministry of Transportation enforcement officers, in 1994-95, there were just over 17,000 mechanical safety inspection enforcement actions by our officers, and in 1995-96 fiscal year, to late December, the figure was in excess of that. It was over 17,000 inspections by our officers.

Mr Pouliot: So about 20% of the trucks out there get inspected by different agencies or by enforcement officers.

Mr Wycliffe: Above and beyond that, as I mentioned before, all those trucks are required to have an annual safety inspection at a registered garage by a licensed mechanic.

Mr Pouliot: She will ask you that, but I have a different set of questions. I don't want to be repetitious.

When a truck comes by and it's judged that the defects or the faults—in French we say "lacune"; I need your help—the shortcomings, if you wish, are of such a nature that it warrants taking it off the road, how many of those are related to a brake problem? For instance, if you have 20,000 inspections, how many get hauled off, 35%, 40%? And out of those, what is the percentage related to brake systems?

1450

Mr Wycliffe: If you'll permit me to refer to my statistics, I have some information that I think will—

The Chair: It must be a very deep question when Mr Wycliffe doesn't have it.

Mr Pouliot: I just want to establish, is it 30%? You say a third of all those taken off would be the brakes.

Mr Wycliffe: The fastest answer and probably the most reliable information in front in me at this moment dates back to the 1995 road check, which is our random selection. I mentioned that some 2,366 trucks were inspected, with an overall out-of-service rate of 43.2%. The defects relating to air brake systems resulted, by themselves, in an out-of-service rate of 34.1%. All brake-related defects, not just out of adjustment, but also leaks, hoses and that sort of thing, are about two thirds of the issue.

Mr Pouliot: You go and buy a new rig, a new truck. Does it have an automatic slack adjuster on it? Is it mandatory, compulsory that when it comes off the line it's equipped with that?

Mr Wycliffe: Today, the answer is yes.

Mr Pouliot: In a broadly summarized form, please, what difference does it make—for a neophyte, a novice like me; I know nothing about these things obviously, but I want to learn—what difference is there between the rig you had 10 years ago under the conventional system and the new slack adjuster system?

Mr Wycliffe: Automatic slack adjusters or self-adjusting air brakes have been mandatory in Ontario for quite some time. The federal government is also going to adopt that standard, and they've been mandatory in the United States.

To describe the impact or the benefit of those slack adjusters, I'll go back to my earlier comments about brakes, the way the air brake systems are designed because of the tremendous weights they're required to stop. The heat generated by those braking systems when they're applied does cause the brakes to go out of adjustment, and if you don't periodically, particularly after a long, heavy trip, check those brakes and readjust them, you will have no brakes. The automatic slack adjusters will dramatically reduce the amount of non-adjustment caused by normal usage of the brakes. They are not a free ticket to do no inspection and maintenance, by any stretch of the imagination. If a company ignores brakes with automatic slack adjusters or they're self-adjusting, they will run into exactly the same problems, probably in a longer period of time, but they will run into the same problems.

Mr Pouliot: Thank you. I apologize. We obviously do not tread the same circles. What an interesting life you live, the fascinating world of three-dimensional brakes. I'm quite envious. It's very interesting indeed. You leave the bay, the garage, and you're a major. You're the driver. Everything is well. You have certified mechanics. You're of consequence, of means. You travel 150 miles and it's little, bumpy roads and then you come to a station—that one is open—and you're one of the 34% that gets pulled over and the jig's up; you win the lottery. If you're the driver, is there no way you can adjust these things? It's not redefining the atom; it's not all that complex. Many drivers worth their salt, professional drivers that I've talked to, have said, "I could fix it, but I'm not allowed to fix it." Is that right?

Mr Wycliffe: It is commonplace for drivers to adjust their own air brakes, but you are right that under the

trades qualifications legislation, only licensed mechanics are allowed to adjust air brakes for compensation.

Mr Pouliot: It's quite common for people to evade taxes—they see it as an obligation—but it's also against the law to evade taxes.

So they're not allowed to do it, right? If it comes into litigation, they could lose, and lose fairly big-time. Yet when we're on the road, the trucks, with all those statistics—and they're highlighted—they scare people a lot. You have statistics on that, that people are afraid during the evening. It's a lonely stretch of two-lane highway and you've been driving for some time, and you begin to pass one of those vehicles. You pull to the left and all is clear and you accelerate; sometimes they do too, and then you try to make it before you hit the next curve. You don't have the luxury of a four-lane or multi-lane highway. Then you see a set of lights above the trees and you're screaming a bit—you know, you begin to die. You begin to pass and you agonize, and it's a matter of a little more on the accelerator. You have the stability, the ability to keep it on the road, and you have this kind of nightmarish vision of going straight from the car to the bag, where you're dead, dead, dead. But you make it one more time.

And you begin to wonder if experts such as you—I don't wish you to feel shackled, chained or handcuffed, but I tried, and it's difficult. What's wrong with having the Minister of Labour issuing a ticket to the driver so the driver can stop at a shop on the way in, pull over at a scenic place, adjust the God-damned brakes without feeling a guilt trip, without thinking that God is talking to him? Just for the safety of people, and it saves a buck. We understand that the big job has to be done at the shop, of course; no one is jeopardizing that. But the day-to-day routine, if it's a matter of coordinating effort, the drivers say they could do it. The owners would like it. What steps are you taking to have this, if it makes sense to you, to have this achieved?

Mr Wycliffe: First and foremost, the regulatory environment presently in place in Ontario requires the driver to do a pre-trip inspection. If the driver finds defects, including defects related to brakes and defects related to brake adjustment, the law says those defects should be corrected before that truck proceeds on the road. The issue surrounding the driver's legal ability to adjust air brakes is one of corrective rather than preventive measures. If the driver had done the pre-trip inspection properly, if the company had the inspection and maintenance processes and programs and policies in place to require the drivers to do that, the driver, in the vast majority of times, would not find him or herself in that situation when they're stopped by our enforcement people at the side of the road.

In terms of putting the drivers in a legal position to do that brake adjustment, there was an announcement included in the three ministers' statement on this government's plan for road safety in October that included amending the regulations under the Trades Qualification and Apprenticeship Act to provide a training and certification process for drivers so they could be adequately trained, properly certified, so that in those situations they could legally inspect and adjust the air brakes.

Mr Bisson: Minister, I've only got a few minutes so I'm going to try to go through this as quickly as I can. I am curious. There was a policy, and I think it might have been put into regulation—I'm not quite sure if it was regulation, but at least there was a policy of our government, and I think actually it was introduced by my colleague here, Mr Pouliot, when he was Minister of Transportation—to ensure that when municipalities are purchasing buses for the transit systems, they purchase what we call the low-floor buses with the wider doors. I know that your party at the time, in opposition, had some problems with that in that you saw it as an onerous restriction being put on communities to buy these buses. They are a little bit more expensive because you need to retrofit them for those people out there who cannot access the regular buses.

I'm wondering, does your government plan on keeping true to the policy that was undertaken by our government?

1500

Hon Mr Palladini: Mr Chairman, I would like to share with Mr Bisson that the policy my colleague Mr Pouliot introduced has not changed, but sometimes, for governments to deliver on and fulfil the responsibility they have, they have to make decisions that go against the grain or against the policies that are in place. I believe we did act in the best interests of Ontarians by allowing municipalities to purchase conventional buses in lieu of low-floor because of the tremendous needs that the municipalities had. So we have in fact allowed the TTC to go ahead and purchase conventional buses because of the need that we had.

By doing this, we did not remove the policy that is in place. As a matter of fact, we have reaffirmed our commitment that this policy is still in effect. We are going to waive the policy for these particular purchases because of the needs of the municipality and bus shortages. The reason we've done that, obviously, is because the low-floor buses weren't able to be delivered. That's the reason we did it, because they were not available, and they're still not available, and they're not going to be available until some time in April or May 1997.

Mr Bisson: So what you're saying is that due to availability, you're allowing municipalities to get the 75% provincial grant to purchase regular buses outside that policy.

Hon Mr Palladini: They're not regular buses—I'm sorry, Mr Bisson. They have a lift. These buses are going to be equipped with a lift. So they're not low-floor, they are conventional, but they have a lift, so they will have wheelchair access.

Mr Bisson: I just want to make sure we're talking about the same thing here. I'm talking about Timmins Transit, as in other transits across the province, operating buses that you and I use, or sometimes use, to go to school or to go shopping or to go to work. I'm talking about the policy that was put in place that those buses have that they call low-floor entrance. Are we talking about the same buses?

Hon Mr Palladini: No. Obviously, I thought you were referring to—

Mr Bisson: That's what I figured you were up to.

Hon Mr Palladini: No, that policy has not changed. Even for the TTC, for Mississauga, for Hamilton, for Ottawa, the policy is still in effect. I relented to uphold the policy in this one-time purchase because of needs.

Mr Bisson: I just want to make sure that we're both on track here. Low-floor buses are obviously especially for people who have difficulty being mobile, walking on their own: people who have been stricken by polio or somebody with a broken leg or seniors who are not able to get around as well as they could at one time. It's very difficult, as you understand, to jump into a big bus with two or three steps going up in those cases.

The policy of our government was that in order to get the 75% grant from the province of Ontario, the province would only allow that grant to be funded if the municipality bought what was called the low-floor and wide-door bus so the person with the difficulty in walking is able to get on a little bit easier. Is it still the policy of the province of Ontario to say you will only get the 75% grant from the province if you purchase that kind of bus? That's the question.

Hon Mr Palladini: The policy that was put in place by Mr Pouliot is still in effect.

Mr Bisson: So all buses—

Hon Mr Palladini: I just want to make it clear so we do understand. I have allowed municipalities to order conventional buses because of the need, and the lack of availability of the low-floor buses for the Toronto Transit Commission.

Mr Bisson: We'll come back to that in the next round. I just want to go back and check my facts and figures before I go any further on this. I would hope that one of the things you have the ability of, as a government and as a ministry, is to pressure those municipalities, by virtue of the grant from the province, to adhere to policy and to put the pressure on the manufacturers to make those available. We'll come back to that a little bit later.

I am going to talk about my part of Ontario for two seconds. I come from northern Ontario. I am one of the members, like many here, who drive home every weekend. I go up Highway 11 and eight hours later I end up in the community of Timmins. I can tell you that because of the reduction in plowing this year, and salting and sanding, the highways are noticeably different when it comes to grip on the highway and safety than they were last year. I've had the opportunity to talk to people within the ministry in the various patrol areas. In fairness to them, I think how good the highway is really depends on what patrol area you're in. For example, my drive north from North Bay is fairly bad from North Bay up to about Temagami. Normally, what you get there is icy conditions with a certain amount of snow pack. The Earlton area, New Liskeard, Tri-Town are normally in pretty darned good shape. Congratulations to them. But my end, Kirkland Lake going north to Timmins, is atrocious. Every time I've driven up that highway in the months of January and December, it's been white-knuckling.

I understand that the minister wants to save money, but I just want to bring a message from people who drive that highway every week for their livelihood and for getting around: It is really dangerous. I counted, on the second-last trip up to Timmins, nine cars in the ditch

from North Bay to Timmins. The last trip down I counted two off into the ditch. This is well after snowstorms, like two days after snowstorms. I've just got to say to the minister, that's not acceptable.

Then I get information from your ministry that I obtained through requests in order to find out for estimates where money is being spent, and I see here that you commissioned a poll in September 1995 through consumer research for \$62,000. So I have to ask you the question, first of all in succession, what is this poll for? What does that do for my highway? The firm was J.C. Williams. It was September 7, 1995, consumer research: \$62,225. I thought you guys weren't doing this kind of polling and advertising stuff you gave us heck for when we were in government.

Hon Mr Palladini: I'm not aware of the poll that you're referring to. If you would give us more specific information—

Mr Bisson: Can I put you on notice for the record that I would like tomorrow—

Hon Mr Palladini: I can certainly get back to you with that, sure.

Mr Bisson: You're here tomorrow. If you could come back with that information, specifically a poll that was given out to the firm of J.C. Williams. It was from the Ministry of Transportation, dated September 7, 1995. All we know is it's for consumer research for the cost of \$62,225. It comes to the point that if we can spend \$62,000 on a poll, God, we can put some more sanders out there. We can hire a couple of people to operate graders or whatever the heck we need on our northern highways.

I just have to ask the minister: I understand that you've got to save money, but where is the priority? How does this make any sense? How do I square that to the people of Cochrane South, Timiskaming and Nipissing, who live in that area?

Hon Mr Palladini: I've taken into notice your request and we'll get back to you tomorrow with the information.

Mr Bisson: But I'm saying, besides what the poll is all about, how can the minister here today defend the expenditure of \$62,000 at a time when his government says they want to save money? I support you; I understand what you're trying to do. You're trying to find ways to save money to balance the budget, and I quite frankly think you're doing the right thing in trying to do that. I don't like the way you're doing it but I think you're going in the right direction. I guess it's a question of priorities.

I heard the minister saying a little while ago here at this committee, "Jeez, governments spend and waste all kinds of money and we need to find efficiency, and when we find efficiency we get a bigger bang for our taxpayer's dollar and then we're able to pass on this big tax break." I have to look at this and say, what does a poll on consumer research have to do with trying to keep my highway safe? I drive that highway every day—I'm going to be very parochial: every week. I drove it last Saturday night. Luckily, it was in a bit better shape than it's been in a long time, but it's dangerous.

So I'm asking, if you're going to spend \$62,000 on the poll, where's your commitment for northern highways?

Hon Mr Palladini: I believe the commitment that I have made, and also the result of what has happened up till now, is that we have done the job that needed to get done; we would spend whatever money it would take to make sure our roads and our highways are safe. We've done that.

As far as your request on the poll, you have taken it into account, and we'll get back to you with the information.

Mr Bisson: The question still needs to be asked. You've cut back the highway winter maintenance budget in northern Ontario. I'm saying here's a case where you've got \$62,000 that's gone into a poll that could have gone into maintaining our highways to a better standard. I'm asking, are you prepared as the minister to go back and say, "Jeez, we goofed on this one"? Because every government goofs up. I understand that.

Hon Mr Palladini: I am not prepared, because we did not goof. We put together a plan where we could maximize the equipment, the better equipment that we have, and also the knowledge that we have, and we've maintained the standards that this province has been used to. I am not going to say to you that I'm going to backtrack, because in essence we are still going to be saving the money. We've done the job. This has been a very severe winter, as you well know, because you do live in the north. Under the circumstances, I believe our people have done an excellent job.

1510

Mr Bisson: I think your workers for MTO are doing the best they can, and the contractors that work for the ministry do the best they can with the budgets they have. That's not the issue. They are hard workers. They want to do a good job for Ontarians and they want to do a good job for you. That's not the issue. The issue is that when you cut back winter maintenance on highways, there is an effect.

I've lived in northern Ontario pretty well all of my life and I have never seen, up until this winter, the highways being in the shape they are in. It gives me no pleasure to come here and tell you that, but that's the reality. I've got to tell you, it is to the point, north of Kirkland Lake, that you're white-knuckle-driving all the way back up to Timmins. We've had people who have been involved in motor vehicle accidents and we've had some deaths. I'm saying to you, as a northern member, are you prepared to divert money that you're putting into polling back into winter maintenance?

Hon Mr Palladini: I believe I've given you that answer. I'm going to stand behind the decision, what we have done.

Mr Bisson: Then the answer's no.

Hon Mr Palladini: This has been one of the hardest winters in over 40 years. We're going to be spending a lot more money than we have in the last 40 years.

Mr Bisson: Listen, we've had winters with far more snow and far colder, Minister.

Hon Mr Palladini: People have done a tremendous job under the circumstances. The support levels have been there, the money has been there—

Mr Bisson: We're going to get into an argument, and let's not do that, all right?

The Chair: Since you're going to get into an argument, let's take a break, and I think your time is up.

Fifteen minutes; be back here by 3:30.

The committee recessed from 1513 to 1530.

The Chair: May we commence the estimates for the Ministry of Transportation. When we broke off, I think the NDP had completed their 30 minutes. Now we are with the Conservatives for their 30 minutes.

Mrs Ross: Minister, I'd like to get back to where I left off; I was talking about life-cycle costing. It's my understanding from what one of your staff said that basically you look at a project before you begin the project and determine the materials and such that you're going to use in that program to get the best time out of the dollars that you're spending. Is that correct?

Hon Mr Palladini: That's correct. The term that we've been using is "value engineering."

Mrs Ross: I asked if most of the roads were asphalt and I think you responded and said yes. I would assume that the reason is because cement is more expensive.

Hon Mr Palladini: Yes, it is.

Mrs Ross: But in life-cycle costing, wouldn't it make sense that if cement lasts longer, even though the cost is higher, you would want to go in that direction if in fact the road lasted longer and would save you rehabilitation costs?

Hon Mr Palladini: My layman understanding is that there are some gives and then there are some takes. So you do get some benefits from a longevity standpoint, but then there's up-front cost that you've got to be aware of as well. Since I am not an engineer and I've got two very capable people there, I'm sure they could give you a lot more information on how the difference really does, in effect, work.

Mrs Ross: Could I just ask you to keep it in layman's terms, please?

Mr Vervoort: I apologize; I thought that was what I was doing.

The Chair: Could you identify yourself, now that we've changed performers?

Mr Vervoort: My name is Carl Vervoort, assistant deputy minister, quality and standards division.

You're quite right, there are different lives that would result from different materials. But it fundamentally is based on what your objective is when you design the pavement structure in the first instance. In the majority of cases, the determination of the design life of the pavement is based on a number of factors which I mentioned earlier. It's quite conceivable, therefore, to build a concrete road or an asphalt pavement road which has the same net serviceability and life.

I guess my simple analogy would be that you can make a very well-built, comprehensive pavement structure incorporating asphalt that has a life of, let's say, 20 years, and you can then design concrete pavement that has exactly the same lifespan. So for all purposes, it can be a matter of apples and oranges. It only becomes comparable if you're using the same design objectives for the life and durability of the road that you want.

One has to analyse the pavement structure in its entirety to determine whether or not the costs of all of those items that I mentioned earlier are in fact in the

advantage of a specific proposal for concrete or a specific proposal for asphalt pavement. It would not be appropriate to say that in every case asphalt pavement is better or that in every case concrete pavement is better. It depends on the specific two designs which are being compared.

Mrs Ross: So would you have criteria to use either/or? For example, if you're building the Red Hill Creek Expressway, are you going to build concrete or asphalt, and why?

Mr Vervoort: Typically, concrete is preferred where the percentage of commercial motor vehicles is very high or where the loads of the commercial motor vehicles are expected to be significant as a proportion of the traffic activity. That is when perhaps the longer durability and strength of a concrete design might find favour. The offsetting factor, of course, always is the cost, concrete roads being more expensive in the first instance.

Mrs Ross: How much more expensive would concrete roads be than asphalt, generally?

Mr Vervoort: I don't have that at my fingertips so I can't really speak to that, but I will endeavour, if you wish, to reply with that information tomorrow.

Mrs Ross: That's okay. When I was reading through this auditor's report also, it pains me to say that they said that concrete culverts and bridges were better than steel; coming from Hamilton, that's hard for me to say. However, my question also is that if that's the case and it's been proven that concrete lasts longer than steel—even though they've covered this steel with some sort of material, it still doesn't stand up to concrete—would you say that we would be apt to lean towards building more concrete structures? I'm talking about bridges and culverts.

Mr Vervoort: Again, it's not appropriate to select one particular product over another on an exclusive basis. One can design a steel bridge that has a significantly longer expected life than perhaps would a concrete bridge. It simply depends on the specifics of the details of the steel bridge design and on the specifics of the concrete bridge design. As to which ones in fact would be more economical, it has been the practice of our ministry that when we have a large structure—and I'll give you as an example the Burlington Skyway. When we were twinning that, we actually made the selection of the nature of the final product part of the competition for the design and building of that particular facility.

Another location, Highway 407 at what is known as the MacMillan yard north of Toronto here, which is a major railroad marshalling yard, and the bridges necessary to traverse that were also designed both in concrete and in steel. In fact, both packages were tendered in order to let the marketplace determine which was the more economical type of structure to build.

Again, I go back to my earlier point, that there's not a single rule that says that a steel structure is more cost-effective in all instances over concrete, or vice versa. It does depend entirely on the nature of the designs of each of the two and it does occasionally depend on the circumstances of the marketplace at the time. If there happens to be a certain availability of steel because of conditions in the steel industry, it may well be that the suppliers of that particular product would be able to give

a cost-effective proposal to have those components be supplied economically, as distinct from perhaps a concrete structure that would rely on aggregates which may be scarce or fully subscribed because of heavy building in the commercial-industrial sector.

So there are a lot of marketplace activities that are also factors in the selection of the appropriate type of structure that's to be built, but our practice has been that in the largest bridges we make the final determination of that be tested out in the marketplace so that we do get the best value for the dollars.

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Mrs Ross: Have we used stone mastic asphalt?

Mr Vervoort: We have not used the stone mastic asphalts in Ontario, but we are beginning to assess their performance and see what applications there might be in Ontario. We are, in direct response to the auditor's report, investigating that more thoroughly. Several European jurisdictions, I think particularly Germany, have used stone mastic asphalts. While they have found some benefits, there has also been an indication that their initial costs are greater.

So we simply have to understand what those relationships are as they're applied to Ontario, because of course it depends a lot on what the native materials are that are available for use in Ontario. Aggregates and stones that are used in pavements are not universally uniform. A particular mine or a particular pit that is used to supply materials has different characteristics and the actual designs of the pavements do vary considerably with the features and characteristics of the components. It's like baking a cake. The ingredients can vary considerably, and the way and the proportions and the timing in which they are incorporated will result in a different product, depending on how you put it together. While we have not yet fully adopted stone mastic asphalt, we continue to see how it might be applied for use in Ontario. Its principal benefit is associated with an ability to withstand heavy commercial vehicle weights.

Mrs Ross: I guess somebody else wants to ask questions, so I'll be quick here. I tried to find through this book here if there's any money invested in research to look into new materials. Is there any money that we spend in research, or is there anybody out there doing research?

Mr Vervoort: The answer is yes, there is research conducted on materials. In fact, within the quality and standards division, there is a small research office. It consists of some 40 people, a budget of just under \$5 million. One of their principal objectives is to do what we call technology transfer. Our intention is to be mindful of the types of products and materials that are available or indeed new applications of existing materials that we might feel would be beneficial in the construction and maintenance and operation of the transportation system. So the answer is yes, we specifically look at aggregates, pavements, steels, even operations related to how materials are used in the construction activities, so the methods of construction are also investigated and we have a group of people who specialize in undertaking that kind of work.

Mrs Ross: When a road is put down and it lasts I think it said about 12 years and then you have to spend money on rehabilitation, if you didn't spend the money on rehabilitation, the road deteriorated much faster.

Mr Vervoort: Correct.

Mrs Ross: I think I read also that since 1992 routine preventive maintenance work was not being carried out as frequently as required. Would you say that our focus now has to be to spend money on rehabilitation of some of the major roads in the province, or are we too late? I guess that's what I'm trying to say.

Mr Vervoort: No, I don't think we are too late, but we certainly are at a time frame wherein we do have to realize the history of road building in Ontario, and that essentially is that in the late 1950s, early 1960s is when the majority of the initial significant components of the network were begun to be constructed. I refer specifically to Highway 401 and the Trans-Canada Highway system. It is quite simply a matter of time that here we are some 30 years later facing issues of age of infrastructure.

It is true, like the famous car commercial for filters, that you can pay me now or pay me later, and the further one delays in the investment and the rehabilitation of pavements and pavement structures, the more expensive that rehabilitation becomes, until you reach a point where the road breaks up and you have to reconstruct it. There's a generally accepted curve that displays the increasing costs over time of not intervening at the appropriate time. Mr Oliver can perhaps give you some specifics of where on that curve the costs begin to escalate dramatically.

My personal assessment, and I believe it's exactly the same assessment the Provincial Auditor has made, is that we are clearly at a point where we do need to reinvest in the rehabilitation of the existing infrastructure.

Mr Sheehan: I've been around trucks a long time—I've serviced them, insured them—and I find this syndrome about the flying tire seems to have started about maybe three, four years ago. Am I correct? I don't recall reading too much about that before. What suddenly happened to start this process?

Mr Wycliffe: Are you referring to the wheel separation incidents?

Mr Sheehan: Yes, coming detached from the vehicles.

Mr Wycliffe: In Ontario, the public awareness and the awareness of the Ministry of Transportation to the problem of wheel separation really arose just over a year ago, with the very tragic incident involving the Worona family on Highway 401 in the Whitby area. Since that incident, followed within a couple of months by an equally tragic incident on the Queen Elizabeth in Mississauga involving the Tyrrell family, there has been a very heightened public awareness, and consequently a phenomenal increase in the reporting of wheel separation incidents.

I was in the position of director of the compliance branch, dealing with truck safety regulation and enforcement, starting in 1993, and I can honestly say that until late January 1995, I had not heard of a wheel separation incident. That is not to suggest that they weren't happening, and I'll get to that in a minute. But certainly with the heightened public, media and enforcement awareness of wheel separations, we literally over the last year have

been averaging probably at least two incidents a week reported to the Ministry of Transportation or reported to the provincial police or to local and municipal police.

We know from doing our research on the issue that a similar—what would I call it?—spate of wheel separations occurred several years ago in the United States and led to an investigation of the issue, with the conclusion that the vast majority of the problems could be attributed to inspection and maintenance practices of the trucking companies involved. The vast majority of the recommendations and the discussion at the inquest in October pointed to exactly the same thing. If you're not using proper equipment, if you're not using the procedures available from the manufacturers, you're going to run into those problems.

Mr Sheehan: A quickie to the minister: Some of the ads you used to run, such as on drinking-driving and kids using drugs and what have you, I found to be almost subliminal ads that have been very effective.

Is your ministry contemplating advertising programs to address some of the more bizarre behaviours seen in drivers these days, like people driving 50 miles an hour in the inside lane of the Queen Elizabeth or sitting back of the white line waiting for the light to turn green, so then they wait for all the traffic to clear. When you travel, drive in Europe, the traffic moves a lot quicker, a lot more efficiently. They blame speed, but I think the problem is caused not by the speed but by the fact that people just don't know where they hell they're supposed to be and when they're supposed to be there. Are you contemplating any safety programs along that line?

Hon Mr Palladini: Not at this time. But one thing I will commit to is that I will continue to seek private sector involvement to see how best and most efficiently we can deliver messages pertaining to safety. We feel there are some things we could offer the private sector for them to get involved in helping us deliver this message. We are certainly going to be exploring potential opportunities for us to do programs such as the one you've just suggested.

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Mr Sheehan: I understand you have some information coming to the Red-Tape Review Commission. Are you addressing or reviewing the safety procedures? For instance, they close down sections of the highway with pylons about four or five miles in advance of nothing, sometimes. That's an exaggeration, but you know what I'm getting at. There's got to be an enormous cost and very little safety factor borne out on that. Have you looked at that, or is your department looking at that?

Hon Mr Palladini: I can honestly say to you I haven't personally looked at it, but it is an ongoing thing. However, I will certainly make it a point to revisit and to make sure that we are taking the best precautions in the most safety way.

Mr Sheehan: I'll cite you one example. They were doing some bridge repairs in Italy, and they just had a big orange sign at 500 metres, an arrow. You get down to 250 metres, another arrow, everybody moved over, they slowed down. That was the end of it. I get back to Canada on the same trip, and they've got the left lane shut down for one mile, then the centre lane shut down

for one mile, and we finally get up to where it is they've got a rubber-tired backhoe in the median that doesn't even come up to the shoulder of the road. That was at rush-hour, and I just wonder what the dollar cost of that bit of overprescribing would be.

Hon Mr Palladini: One of the things I would like to assure you is that if there are going to be any closures for significant times on major arteries, we do not do those closures at peak periods. Obviously, we would do them on a holiday or off-periods, late in the evening and so on. If you want to know some specifics, Carl can certainly tell you how we go about it.

Mr Sheehan: I'll talk to him another time.

Mr Rollins: The number of employees working for the Ministry of Transportation yesterday was stated as somewhere around 8,000. How many of those employees would have 25 years or more with the ministry?

Ms Mary Proc: I'm Mary Proc, assistant deputy minister, corporate services. Of the number of employees at Transportation with over 25 years of service, we have approximately 1,275.

Mr Rollins: Another quick statistic: Are we using any rubber tires chewed up into asphalt? Has that been used someplace and then kind of given up, or is it something that became too expensive to experiment with, or what?

Hon Mr Palladini: We have done some pilots. The ministry has explored those opportunities. I'll let Carl Vervoort share some comments.

Mr Vervoort: The answer is affirmative. We have incorporated scrap tires into asphalt mixes, and we first began to do that in 1980-82. At that time, there was not judged to be cost-effective technology available to achieve a good performing pavement.

However, since 1989, with the Hagersville tire fire, there was renewed interest in finding uses for scrap tires. In conjunction with the Ministry of Environment and Energy, we renewed our research efforts to see if technology had advanced in the intervening 10 years to come up with a productive product. We are conducting ongoing experiments to test a number of different techniques, and we have identified one particular technique, known as a wet process, which involves the introduction of rubber crumbs, very finely ground rubber tires, mixed with other aggregate materials and the asphalt cements to form a reasonably well-performing pavement. To the extent that pavements do perform differently over their life, we have thus far only been able to test that over about a three-year time frame.

We continue to test the use of that particular process and technology. We continue to be somewhat concerned about the cost, because the costs are somewhat higher, but we are optimistic that we can improve upon the product. We have not adopted it universally, and it has not yet been sufficiently satisfactory in demonstration that we can use it as a mainstay in our pavement structures, but we continue to experiment, and hope we can.

In addition, we are also looking at other ways we can use rubber tires in the construction of roads. We have to be extremely sensitive to the fact, as was demonstrated at the Hagersville fire, of the extreme volatility of a large volume of rubber tires located in one place, but we are also looking at how shredded tires can be incorporated

into landfill to be used in low-level berms and other features of the topography adjacent to the roadway. Those experiments are again ongoing and have not yet been concluded.

Mr Gary Fox (Prince Edward-Lennox-South Hastings): Do you have any stats on the percentage increase of transports on the 401? I ask this because I'd have to believe there has been a substantial increase and it would be related to these rims and tires flying off all the time. The other question is, is there any testing of quality of rims? I've spent a number of years travelling the 401 with a truck, and the thing is, it's not always the studs; it's the rims breaking around the studs that's causing the problem.

Mr Vervoort: In response to your first question, I don't have statistics available now, but the percentage of the number of trucks active on the road is in direct correlation to the vitality of the economy. I believe in general, though, as mentioned earlier by one of my colleagues, there has been a modal shift of freight traffic from rail to roads and that, in relative terms, there is an increased proportion of freight moving by the truck mode, which has resulted in an increased proportion of commercial motor vehicles in the traffic mix. I don't have the specific numbers, though. Mr Wycliffe can address your question on the rims.

The Chair: Thank you, Mr Colle.

Mr Colle: I want to move into transit for the disabled. In your own chart on page 66, Minister, you can see the growth in the number of people who require specialized transit. You can see that conventional transit is basically on the decline, but there's quite a dramatic growth in the number of passengers on specialized transit. Given that last year you cut specialized transit allocation for the first time that's ever been done, certainly in recent history, how can you deal with the increased demand for specialized transit while you're cutting it?

I know you're going to blame the TTC, but you've cut specialized transit grants right across Ontario. In the TTC's defence, for their specialized transit, you asked them to find \$1.3 million in the last three months of their budget when you're also cutting their conventional budget. It's easy to blame the other people, but your cutting of specialized transit across Ontario precipitated a lot of cutbacks in specialized transit.

How are you going to meet the growing demand for specialized transit, especially when we've got a growing older population? The number of seniors that need rides to hospitals, to doctors, to do their daily work, is growing. What strategies do you have in place to provide more service for people with disabilities?

Hon Mr Palladini: We did not cut specialized transit. It was never the intent of the Harris government to cut specialized transit.

Mr Colle: I've got a whole list. What is this, then? Town after town: Ajax, Aurora, Brampton, Burlington.

The Chair: Mr Colle, just let the minister—

Mr Colle: I hate to see the minister misinform the public on this.

The Chair: Maybe the minister has an explanation. Let him complete.

Mr Pouliot: Those people don't have a voice, Mr Chairman. Someone has to say something.

The Chair: Order. You have a lot of voice over there.

Mr Pouliot: I'm speaking for the children and the elderly, sir.

The Chair: Let him speak on behalf of the government now.

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Hon Mr Palladini: Thank you, Mr Chairman. I repeat that we did not cut specialized transit and it was never the intent of the Harris government to cut specialized transit. As everyone knows, we are in a very bad fiscal situation. We approached the municipalities in regard to transit to see how best we could work together to see if there were any savings we could realize. Whatever those savings were, they were to be taken out of the conventional budget. It was never the intent of the Harris government to diminish specialized transit in any way. We remain committed to specialized transit. We see the needs that are definitely there, and we will continue to support it.

Mr Colle: What's your strategy?

Hon Mr Palladini: That is the reason that this time around, we chose to give the municipalities the budget without touching disabled transit. This time we did the cuts on the conventional. We showed the budgets based on last year's transit budgets and we supported it in the same manner this year. We took no chance, because we didn't want to have the same situation arise that happened in the summer.

Mr Colle: Mr Chairman, just to put it on the record, the Ministry of Transportation has sent out something to all transit managers: operating subsidies. It's got a list of recommended cuts to conventional service, and it lists Ajax, Aurora, GTA, Cobourg, Bracebridge, Cobalt, all conventional. It says "reductions," and the reductions are listed for conventional. That means ordinary bus routes.

Then they've got a list of municipal transit programs, specialized service. That means for people with disabilities. They've got Belleville, reduction \$4,000; Brockville \$2,000; Ottawa-Carleton \$429,000. They even go to Elliot Lake, Espanola, \$600—if these aren't cuts, what are they? If they were just to conventional, why wouldn't there be a list just for conventional cuts?

The minister refuses to acknowledge that he did it, but what he precipitated was a real panic in the community, because for the first time there had been cut of a government commitment to disabled transit, especially when the Harris propaganda during the election said they weren't going to touch the disabled. The disabled were affected.

Minister, you made the cuts last year, there's flat-lining this year, there's a growing number of people who need specialized transit because people are getting older in our population. The simple question is, considering what you say you have done or have not done, what is the strategy to give more rides to people who need specialized transit? How do we get them to the doctors and the hospitals when they can't get there by conventional buses? They can't afford cars. How do we give them this service?

Hon Mr Palladini: There are some things I would like to address. First, I would like to ask Mr Colle what he

did to make Wheel-Trans more cost-efficient when he was with the Toronto Transit Commission.

Mr Colle: I'll answer that. Let me answer that.

Hon Mr Palladini: Clearly, they are the least effective, least cost-efficient operation in the province. But what the Harris government, to answer your question—

Mr Colle: Well, can I answer that?

The Chair: Let him complete, and you can answer later on.

Hon Mr Palladini: To answer your question in terms of what the Harris government has committed to, the Harris government clearly has committed to maintaining Wheel-Trans support cost levels for the next two years at the same levels—no cuts, not one dollar. The numbers Mr Colle is referring to, based on those numbers in that report, they're going to be maintained for the next two years. Those are last year's numbers, so we are maintaining support for Wheel-Trans. We are not cutting one dollar, not one dollar.

Mr Colle: You still won't admit it. What is this list here for, then? Just to answer Mr Davies, who fed you the question about what I did when I was on TTC, Mr Davies, as you know full well, what we did was introduce the taxi service which was a partner to the conventional Orion II buses. We asked the private sector to provide taxi service for the disabled. We increased the number of rides throughout the GTA by about 30% because we asked the private sector to come in with taxi service and that taxi service supplemented our conventional system. That's what we did, Mr Davies, and you should know that.

The second thing you should know, Mr Davies, is that we also put a lot of effort into making our conventional system accessible, because that's the only long-term way you solve this problem. What you do is you make our subway system accessible for people who can't go up and down stairs. So we pushed for the program Easy Access, which you're well familiar with, Mr Davies, part 1 and 2, which made it possible for seniors and people who can't go up stairs to get into our subway system.

Second, what we did in terms of making it more available is that we asked the provincial government to look at and invest in low-floor buses. We're still waiting for the low-floor buses that your ministry promised the TTC two or three years ago.

That's the answer, Mr Palladini and Mr Davies, to what we did at the TTC. I know it wasn't perfect, but at least we didn't cut back on service for people who couldn't protect themselves. That's my answer.

At least have the guts to admit the fact that you made these cuts to specialized service and don't try and blame the TTC for cutting, when you cut right across Ontario to disabled transit, Minister.

Hon Mr Palladini: The fact remains that we made no cuts to Wheel-Trans, no cuts to specialized transit. The TTC made that choice themselves. They're the ones who chose to cut Wheel-Trans, not the Harris government.

The TTC operation is twice as expensive as any other operation in all of Ontario, so they have their own internal problems that they should have been addressing in the first place. It seems to me that approximately two and a half months after they made such a big spiel about

what the Harris government was doing to them, all of a sudden they ended up finding funds that they said from day one they did not have.

In terms of the buses, I would like to share this information. I think this is comical. I wish my colleague Mr Pouliot was here. The province of Ontario inherited a deal that was put together by the NDP government where they guaranteed bus purchases to the tune of 813 over the next three years. These buses were all supposed to have been low-floor. The province was on the hook for millions and millions and millions. We have to buy, like I said, 813 low-floor buses by the end of 1998. I have to share some really sad things. If we don't purchase these buses by that time, the province is on the hook for \$69,000 per bus.

Now the Toronto Transit Commission needs some buses because their fleet operation is in very bad shape. They keep spending more and more money on repairs and they're in dire need of new buses. So what does this government do? This government basically takes a look at what the needs are of the Toronto Transit Commission. We know we have a low-floor policy in place, a policy brought in by the NDP and still in place, so we had to make a decision, we had to make a choice. We either relent the policy and purchase buses that are badly needed or keep spending more money and having the province subsidize the repairs on these 18- and 22-year-old buses to the tune of 75%.

Well, this minister made a decision in conjunction with and working with the Minister of Economic Development, and made, I believe, the right decision. We relented the policy so we can become fiscally responsible. We ordered conventional buses to supply the needs.

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Mr Colle: What the minister is saying is, as bad as the NDP deal was on the buses, you are going to go along with it. I guess you have the option of whether you're going to keep blaming them or whether you're going to get out of the deal. We'll see what you do.

The other thing in terms of transit for the disabled is that you still haven't said, considering the shortage of funds, no low-floor, what you're going to do to meet this growing demand. You haven't answered that question.

The other thing I want to ask you is that on Highway 407, a system is going to be in place with transponders that will basically monitor vehicles entering the highway. I know the privacy commissioner warned you that you were treading on thin ice, Mr Davies, and he advised not to force people to purchase these transponders. What is the policy going to be, Minister? Will everybody have to have a transponder or will it just be commercial vehicles? How is that going to work?

Hon Mr Palladini: I would like to share some information. We have a commitment to deliver the most cost-efficient and balanced transportation system in the best interest of all taxpayers. The 407 is going to be the first electronic highway fully implemented with an electronic device.

The concerns from the privacy commissioner—in the beginning, I'm sure there was enough concern that he wanted to look into it, and we've done that. I believe we have been having ongoing discussions with the privacy

commissioner to make sure that we are doing things the way they're supposed to be done and people's privacy is being protected. I believe these concerns have been addressed and met.

As to the privacy commissioner standing in the way of an electronic toll highway, I believe, like I said, that things are adequately in place, and this highway is going to proceed being a fully electronic highway.

To answer your question, are you going to be able to drive on the highway without a transponder, at this point I'd say we would certainly not encourage anyone driving on the highway without a transponder. We are going to put a marketing strategy in place that will hopefully encourage all users of the highway to have a transponder. We're going to come up with strategies that it will be affordable and people are not going to resent using a transponder or buying a transponder in order to get full usage of the highway.

If you want more information than that, Mr Colle, I have Mr Galange here from OTCC, and I'm sure he can give you a lot more than information than I have.

Mr Colle: I just want to get this cleared up. During Bill 26 hearings, we had a copy of a letter you sent to the privacy commissioner where you made a commitment to him that you would exclude non-commercial vehicles from having to have a transponder on 407. Are you backing up from that commitment now?

Hon Mr Palladini: No, we're not backing up from that commitment.

Mr Colle: Therefore, it's just going to be commercial vehicles that will require transponders. How are you then going to collect the toll from the non-commercial vehicles on the highway?

Hon Mr Palladini: All the entrances and exits of the highway are going to have electronic cameras and there's going to be a device that we—

Mr Colle: So you're going to have like photo-radar at the entrance. And then if you don't pay?

Hon Mr Palladini: I don't believe it's photo-radar. It's going to be an electronic camera that will electronically monitor the usage, people getting on to the highway and leaving the highway, and that will determine the cost as well, once we've got that in place.

Mr Colle: So if they come on to the highway and they don't have a transponder, you take their picture. Then what do you do? Do you send them a bill in the mail?

Hon Mr Palladini: Yes, that's the way it's been working with parking tickets. If you don't pay them, you get a bill in the mail.

Mr Colle: What if a vehicle is from Quebec? How are you going to collect from the Quebec motorist?

Hon Mr Palladini: The 407 is not the first highway or first toll road. We have reciprocal plans in place now with other jurisdictions, especially south of the border. We are working at how best and how quickly we can work together and implement these possibilities that are going to have to be addressed. We are in the process of trying everything down.

One thing that I want to say to you is that as far as the transponders are concerned, they can be anonymous. It isn't something that someone is going to find out whose transponder that is. There is that safeguard of privacy

built into the system, so we are taking a lot of precautions in making sure that this thing is going to work and it's going to work in the best interests of all Ontarians.

Mr Colle: I know the privacy commissioner was so concerned that he asked you to change you policy and he asked you to amend the legislation, and you said that you would do it by regulation. I hope you're true to your word because I'll take his word in terms of privacy. I'm no expert in privacy, but he expressed serious reservations, just as he expressed reservations about confidentiality of medical records, because when you have the government or some corporation that basically monitors all your movements through computer, who knows or who controls that? I certainly wouldn't have the expertise to know the controls in place.

What I would like to get back to though is, if a Quebec motorist drives through 407, Quebec has legislation that doesn't believe or doesn't take into account or will not allow in court any information taken as a result of photo-radar; it's inadmissible. So if you send that ticket to Quebec, how are you going to collect your money from these Quebec motorists who come through and use a highway like 407?

Hon Mr Palladini: You're making an assumption, and I don't believe you can assume, that a deal is not going to be constructed. Let's see if we can't put an agreement in place that we will have that protection.

Mr Colle: So you're going to ask Quebec to change its legislation? Is that what you're going to do? Right now, Quebec doesn't recognize evidence obtained through photo-radar or electronic cameras, as you call them; that's not allowable in Quebec courts.

Mr Davies: I think that's probably a case that's not germane to the kind of arrangement that we foresee with Quebec. Quebec is currently considering toll roads. Quebec used to have toll roads, up until about 15 years ago. Their deputy minister is very much interested in working out a reciprocal arrangement with Ontario that would allow for the collection of tolls that have not been paid in either regime. Less than 5% of the traffic on Highway 407 is expected to be from out of the province and certainly, as we know, all of the commercial vehicles from outside of the province that will be using Highway 407 will have to have transponders.

What we're talking about is basically the tourist traffic that would come from out of province. It's very much in the interests of Quebec, Michigan, particularly New York state, the main centres from which the tourist traffic comes, to have that kind of reciprocal agreement with us. In fact, the transponders that we will be using on Highway 407 are compatible with the transponders that are now being put in place in New York state, and they're now being looked at as the transponders that would be used on the international bridges across to New York state. So it's becoming the standard in the industry on the North American seaboard and we're expecting full cooperation from those regimes in the reciprocal arrangements. We have reciprocal arrangements now for enforcement of traffic offences and we're not inhibited by court requirements in Quebec.

Mr Colle: In terms of, again, the transponders and electronic toll highways—and I guess the reason why this

is important is I think we've got to certainly get it right if we're going to do it for the first time—one of the interesting differences seems to be that Ontario, as far as I can see, seems to be the only jurisdiction that is now not only going to allow liens on vehicles or trucks or cars, but is going to go that further step of putting liens on people's assets or personal property. Is there any other jurisdiction that goes beyond putting liens on vehicles and goes in fact to going to the land registry office and putting liens of people's personal property? Is there another jurisdiction that does that?

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Hon Mr Palladini: Mr Chairman, I believe that we're trying to be as agreeable and certainly as informative as we can, but these are assumptions that Mr Colle is taking on things that have not yet happened. I thought these proceedings were basically going to be about things that happened in the other fiscal year. These things have not been initiated and I don't know why we're spending time on things to be; we should be spending time on things that have happened. I'm trying to be as cooperative as I can, but if he continues to persist going this route, I'm just going to refuse to say anything more about 407 tolling.

The Chair: Let me just comment on that: All during the estimates ministers have come here and made statements on their Common Sense Revolution and what have you, and the opposition has also responded to that, which is not in the estimates. I have allowed that kind of freedom to do that, so it is kind of free-flowing stuff. I have allowed that and we will just continue. I presume some sort of tolerance has to be exercised in here.

Hon Mr Palladini: Mr Chairman, I am trying to understand and give as much information, but for me to address on assumptions, I don't believe we should go to that extent. Let's not assume that things are going to be falling down. We were very clear that we are in the process of putting these agreements in place. We know what must be done. What further information could I share with the member than I've said?

Mr Colle: Mr Chairman, that's fine. He obviously doesn't want to answer any more questions on 407, but the one thing I'll have to find out is whether other jurisdictions do the same type of thing, and that's all I ask.

I'd like to just move to the Sheppard subway. At this point, Minister, in Metro they're deciding on whether or not they're going to continue the Metro funding of the Sheppard subway. As you know, in the Golden commission there is a recommendation to do away with the Metro regional government, which will basically have to sign the contract. In other words, the subway contract is not signed by you; it's going to be signed by Metro. As the Golden recommends, and there seems to be a trend towards getting rid of regional government, if Metro disappears, who's going to pick up Metro's portion of the 25%? How is that going to be—

Hon Mr Palladini: Again, that's a hypothetical question. We don't know in fact what governance we're going to end up having. I'm sure, to answer his concern, the new governance obviously would most likely pick up Metro's share. We're assuming that there is in fact going to be new governance. I know there's talk and I know

about the Golden report, and there are all kinds of things in the Golden report, but again, this is hearsay and it's things that are in the future. We don't know, so how could I possibly answer a question about the future? I'm sorry, I cannot give the member an intelligent answer.

Mr Colle: The reason why I ask that is because it's very important. The government provincially is committing itself to \$1 billion. If I were going to commit my ministry to \$1 billion to build a subway, I'd want to look at all the contingencies, because if the people who are going to sign the contract could disappear by 1997, I would like to know what would be in place in terms of responsibility and obligation to that contract. But I guess I'll stay away from that question too.

If I could get maybe to the Sheppard subway itself, as you know, basically the first phase is going to cost you about \$1 billion. In order for the Sheppard subway to really function, you're going to have to extend it east and west. You're going to have to go to the University line. You're probably going to have to go to Scarborough. As you commit the provincial money, did you ever consider whether or not you were committed to the second and third stages of the Sheppard subway? In other words, building one phase by itself is not going to have an impact on increased ridership really in the GTA. It's going to have a good initial impact, but to get a total modal shift, you're going to have to commit to the extension east and west. Have you committed, or will you commit, as a minister to the fact that you're going to look at the total Sheppard package rather than just the first phase?

Hon Mr Palladini: This government remains committed to the Sheppard subway. I've just reaffirmed our commitment with a letter to Chairman Tonks supporting Sheppard and also the 75% funding that had been negotiated and agreed upon previously. The question that Mr Colle has asked I think is a very valid question, and therefore I'm going to try and answer it in a manner that I hope he does understand. We have to have a vision for future transit growth, there's no question about it. So obviously, if there is a commitment on this particular phase, we've got to go beyond that. I'm not in a position at this point to really address or give you an answer of commitment based on a possible new governance it's going to have, but then also on the potential growth that will eventually be realized. Obviously, depending on the growth, we will build.

Mr Colle: I guess that really begs the question of whether you've looked at the whole GTA transportation plan, because as you know, if you go into Sheppard you're going to put in a lifelong commitment to it, and whether or not there's the flexibility to meet what you have to do perhaps with an extension of GO networks etc—I mean, is that all part of your commitment, that you're going to commit to not just Sheppard to where it is, or the GO system remaining static, or to the York University line remaining static? Are you committing yourself in principle really—you can't do it financially, obviously—to expand the network?

Hon Mr Palladini: I think it's a worthwhile question and certainly I can say to you that we have looked at many other alternatives. If you want to know of some

specifics, David Guscott can certainly share with you what discussions have taken place, because I believe that we have extended in other areas, including GO. That has got to be a major part of our commitment as far as the sizeable investment that we are making to Sheppard is concerned, so therefore it's going to be ongoing. If you want some specifics, David Guscott can give you them.

Mr Colle: Okay, next time around. I think my time is up.

The Acting Chair (Mr Peter Preston): I think David will have to give it another time because the Liberal time is up, and it's for the NDP and their 30 minutes.

Mr Bisson: There are a number of questions I'd like to get back to with regard to issues at Transportation that affect I would say not only northern Ontarians but many Ontarians throughout the province. As minister, you have announced that you are going to be moving towards the deregulation of the bus industry. I'm wondering if you yourself can just quickly give us some kind of assurance that in moving through this deregulation of the bus industry you will try to find some kind of assurances that communities like Chapleau, Foleyet and other communities that are fairly small that are now being operated by subsidy are going to be picked up one way or another, either by the private or public sector, to be able to keep bus services in those communities. Can you give that kind of assurance?

Hon Mr Palladini: I am not familiar with the communities so I would like to just ask you a question: Are there presently bus services in those communities?

Mr Bisson: Yes. What happens in places like Chapleau, the ONR—

Hon Mr Palladini: Presently, they have bus services in those communities?

Mr Bisson: Yes.

Hon Mr Palladini: By deregulation and doing it in an orderly fashion, I strongly believe that there are possibilities that even other smaller municipalities could actually end up with bus servicing. I believe that the manner in which the busing industry basically works right now has to change. I think we have to expand on those possibilities and take advantage of entrepreneurs and give them an opportunity to invest in small towns, because like I said earlier, you don't need a 48-passenger bus when the normal passengers who would travel on there could be four or five. Just think of the cost of operating a 48-passenger bus, not only the bus itself but the increment cost of maintaining it—insurance and so on. I believe that by deregulating and maintaining the federal safety standards that are presently in place, we actually will have more municipalities having bus services that have not had them in the past.

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Mr Bisson: Time will tell, but I think a lot of what you talk about in regard to smaller buses or looking at how you deliver services can be done under a regulated system. If it's most bus carriers out there in the private sector who operate—some of them, like Ontario Northland, are run by subsidy. Actually, they're a viable commercial operation on their own and utilize cross-subsidization of other routes to be able to pay for the Chapleaus etc.

I guess what I worry about is that I just came from a meeting a couple of weeks ago with northern mayors from northeastern Ontario, along with my colleagues Shelley Martel, Len Wood and Tony Martin, around the closure of the ONTC norOntair. We know the effect that that's going to have in those communities losing air services.

So here's a community like Chapleau, as just one community in northern Ontario, that is about to, by March, the end of this year, lose air services altogether. Then that mayor and the councillor who were there are saying: "Listen, we hear that deregulation is coming down the tubes. What's going to happen when deregulation comes and the Mike Harris government takes out further subsidies to the ONTC? Does that mean to say that we lose our bus services?" and the chair of the commission says, "That's very much a possibility."

So what do you say, as minister, to those people living in Chapleau, who for one reason are losing air service because of loss of subsidy, but in the other case, if the ONTC had the choice—they're presently forced by regulation to be in that market in order to service the people of Chapleau—if they could, they'd pull out, because it's not economical, quite frankly. What do you say to the people of Chapleau as a government? Do you have a responsibility, as the Minister of Transportation, to make sure that in those cases where the market can't sustain the private sector, the government plays some kind of role?

Hon Mr Palladini: Mr Bisson, I share your concerns. As far as the possible airport closure, I believe that our minister is trying to do everything he possibly can to see if there is a private buyer that possibly would entertain taking the airport over.

I think we're going to be faced with a lot of hard and difficult decisions in how much support can be given and can we really afford to give the support that has been given in the past? We believe government cannot just keep supporting every business that's not viable. I think there's got to be an end to the subsidies, or at least an attempt made to find another way to deliver that service. This is really our intent, that we are going to encourage the private sector to get into small busing businesses.

Mr Bisson: That's all fine. If you can encourage the private sector to go in, that's great.

Hon Mr Palladini: But that is going to be our intent, to work with them—

Mr Bisson: But the problem here is that the private sector didn't go to Chapleau in the first place, neither with air or with bus services, because the market cannot support that kind of service. The provincial government of the day, first with Bill Davis with norOntair, but before that, probably under the Robarts government with the bus services, said, rather than leaving those communities high and dry—because there are only two or three people, I agree with you, who jump on the bus in Chapleau to come to Timmins for a medical appointment on Tuesday morning, and you don't make a lot of money with three people on a bus. There's no question about that.

But the question I have to you is, I believe, I think as many people in this province, that government does have

an important role to play when it comes to providing services that are somewhat balanced between the needs of the taxpayer but also the needs of the citizen.

So the question I ask you is simply this: I know that you have as a government an ideological position when it comes to subsidization, and I know that if you could, you'd rather see it in the private sector. I understand that. I don't like it, but I understand it. But are you prepared, as the Minister of Transportation, to say on behalf of your government that you're going to make sure that in the end, either through a private sector deliverer or ONR, doing it through ONTC, the people of Chapleau and other communities such as that won't be left high and dry?

Hon Mr Palladini: I wish I could make that commitment that there aren't going to be any losses of bus services in any community, because even with regulation, I said the other day that over 400 municipalities have lost busing services.

But the commitment I will make to you is that we are going to do everything we can as a government, as a ministry, to make sure that every municipality has an opportunity to have that busing availability. I believe by deregulation, and also identifying the needs of certain municipalities, people are going to come out and say: "Hey, you know what? I'm going to get in the busing business, because I don't need a 50-passenger bus. I can do this." You're going to see entrepreneurs just come up and take that chance.

Mr Bisson: But, Al, in Chapleau, when there are three people getting on the bus on Tuesday morning to go for a medical appointment, I don't know too many entrepreneurs, as brilliant as they might be, who can put a minivan out on the highway and be able to make a buck at it. The reality is they'll find a station wagon or a sedan, with maybe bald tires or whatever they can get their hands on, to drive those people down the highway. I thought that in the province of Ontario, as in other jurisdictions, we said—

Mr Colle: It's called a taxi.

Mr Bisson: It's called a taxi. Thanks. But in this province we understood that there are certain standards that we want to apply to safety and access, and that's why government plays a role. I'm going to go on to the next question. I hear what you're saying, you're not able to give the commitment. Time will tell. I hope indeed that the slack is picked up, but I very much doubt that anyone in the private sector could make a buck at that.

Moving on to subsidization one more time, we have one train that goes to northeastern Ontario, the ONR train that goes up there. It moves from North Bay basically all the way up to the James Bay coast and Moosonee on its own rail line, but on the section of track running from North Bay to Toronto it's run by either CN or Via, I forget which of the other two major rail companies.

It's my understanding, as I've dealt with this before, that the federal government, in its attempt to get out of the rail transportation business and to privatize the rail transportation system in this country, is moving away from the subsidy on that track, which means to say, quite frankly, who's going to maintain it? Where are we going to have the bucks to have the train? Can you give us some kind of assurance, as the Minister of Transportation,

that you won't allow them to shut that track down, so that when we take our train from Timmins we don't have to get off the bus at Mike Harris's house and jump in his limo with him all the way down to Toronto?

Mr Kells: You'd have to pick Ernie up, too.

Mr Bisson: Highway 69.

Hon Mr Palladini: I certainly am concerned with your concern, and I can't give you any commitment on behalf of our government to come up with the subsidies that presently are being given by the federal government. I'm not in a position to really give you any commitment. I've had no less than four discussions with Minister Young, and the situation is basically the same. They are looking to get out of the subsidy business in areas that they clearly just cannot afford to keep supporting. I really can't make any commitments.

Mr Bisson: I understand your difficulty with the federal government backing out and leaving you on the hook. I understand that. We have the same problem. But the problem that remains is that we had at one time in this country a certain amount of vision, and we said back in the early part of the history of this country that when it comes to a system of transportation, if we allowed it just strictly to be put in the hands of the private sector and let the market try to dictate where services would be established, you would have a great system of transportation between Toronto and Windsor and somewhat less between everything else and absolutely nothing in communities like mine. So government moved in and played a role.

All I'm saying is that I recognize it's difficult, I recognize we are in economic times that are difficult in regard to being able to pay for all of this, but certainly there has to be a commitment on the part of your government to say, "We in the end will do everything that is possible in order to ensure that we keep in place a minimal amount of service so that people in this province, either living in Timmins or living in Chapleau or living in the GTA, have a reasonable access to transportation." If we leave it strictly to the private sector, Minister, I'm afraid a lot of those communities are going to go without.

So what I'm asking is, as the minister responsible for transportation for the government of Mike Harris, are you prepared to say that you are prepared to play the role that needs to be done in order to ensure that there are minimal amounts of service, at least at the standard we have now for the people of this province when it comes to transportation?

Hon Mr Palladini: Basically, you're asking me to write a blank cheque and I'm not prepared to do that. I'm not in a position to do that, number one.

But I just want to pick up a little bit on that, because I believe too that the possibility does exist that sometimes the reason that maybe nothing has flourished or nothing else has picked up or grown is because of the government involvement, because there was no need for anyone within the community to take an opportunity and try to go with it. Possibly, once the need is there, there could be somebody in the wings to invest and start working towards it.

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Mr Bisson: Careful, Minister, because if we don't learn from our own history and we don't look at what we've learned through the history of development of our economy—government played a key role in this country.

I'll talk about northeastern Ontario. It was the Ontario government—I think actually a Conservative government; I'd have to go back and doublecheck my facts—which put in place a Timiskaming railroad that ran from North Bay, originally to Cobalt, pushed up to Kirkland Lake and ended up in places like Iroquois Falls and Kapuskasing. If it hadn't been for the government playing that role, northern Ontario would not have developed. We wouldn't have found Cobalt, the silver mines that were developed up there. The gold mines in the city of Timmins probably wouldn't have been found in the way that they were. A whole bunch of things wouldn't have happened if government hadn't played a role.

That was a vision that our country—we said: "We are different than the United States. We don't have the market, we don't have the amount of people and population in the size of the geography that we have, and because of that, government must play a role."

Yes, you have to be responsible to the taxpayer. Yes, you have to be efficient in how you do that. But there has been an underlying understanding that, as a government, you have a role to play. That's all I'm asking: that your government commit itself, like governments before you, which were the Conservatives and under David Peterson with the Liberals and under Bob Rae with the NDP, that you continue that policy that Ontario's had for the past 120-some-odd years. Yes?

Hon Mr Palladini: Basically, like I said, I cannot give you any commitments. But certainly we are going to see whatever help can be done. Not from a monetary sense but certainly whatever other help we can do, we will.

Mr Bisson: I take it the short answer is no. I've just got two minutes and I'm passing it to over to my colleague. I only say this: There has to be a system of priorities. I understand that. The government has to prioritize what it's got the bucks to do. But what I'm hearing here is that there's really no will on the part of the government to say that there are certain things we're prepared to pay the price for, and that's what scares me.

I just want to remind the minister—yesterday I asked you for information on Air Oshawa—if you had received anything at your minister's office in regard to proposals from Air Oshawa. Have you checked that out?

Hon Mr Palladini: Yes. I'm surprised. You're not from Oshawa and you're asking me about Air Oshawa. Anyway, I do have some information. As far as what I have been told, we have subsidized the investment about 50%. I believe the investment was around \$6 million, and to the best of my knowledge, I believe we have participated in that.

Mr Bisson: "We," meaning your government?

Hon Mr Palladini: In the airport, not the airline. Are you asking me about the airline or the airport?

Mr Bisson: The airline, and the airport, because they're both interrelated.

Hon Mr Palladini: Maybe you want us to come up with a pilot as well.

Mr Bisson: A what? I didn't hear you. Sorry.

Mr Pouliot: "Maybe you want us to come up with the air pilot." No, stick with the horse and buggy. You're much more familiar with that kind of endeavour.

Interjections.

The Acting Chair: Order.

Mr Bisson: Can you provide me with how much money, when the money was spent, all of that? Can you give that to me?

Hon Mr Palladini: Yes.

Mr Bisson: Specifically to the airport and Air Oshawa.

Hon Mr Palladini: We'll get you all that information.

Mr Bisson: Thank you. My colleague.

Mr Pouliot: Minister, I want to ask you the most serious of questions that I can formulate, and I would appreciate your attention, because I'm speaking here on behalf of people who really don't have much of a voice, or if they do it's certainly not among our circles, and yet they're forever real. Their number is forever increasing. In some cases, obviously, for all to see, physically challenged; in other cases, they represent our changing demography. They could be frail, they could be elderly. They really represent all of us, on a waiting list of sorts. No one is immune.

Wheel-Trans: The money flows or stops flowing from the Ministry of Transportation, from the government of Ontario, to the municipalities or/and to agencies, to people who specialize, and there is more than one way of doing business.

Deliberate cuts to disabled transit, in 97% of the disability. Metro tells us that 27% of the requests will have to be denied because of lack of funding. Fewer dollars were transferred to the municipalities. It's very easy to say: "It is no longer my bailiwick. I wash my hands. It becomes a bagatelle. You take care of it now." That's very easy. That's the easy way out.

The system is in the process of being knee-capped and I'm not going to say that if you're not rich here, you cannot defend, but it very much appears this way. You start at 21.6% with the welfare recipients. They don't have a voice. They're disorganized. Then you move up the food chain and you go after people. Steve Gilchrist, MPP, gets a letter. The person says, "I'm afraid." And then she goes on to say, "I want to be like the others." I didn't go upstairs. They didn't go to their municipality. They saw the buck-passing going on. They saw the shell game being played, so they went to the highest authority and they said, "Please don't do it."

Isabel is a person with a physical disability attending the literacy options program. I guess if you pass the program, the rest you can pick up at the library and you're like the others. We don't have to order from a menu the special du jour. We spend half of our time lying. That gives us a chance to defend and cope with society. That's the human dimension, Mr Palladini. It's very simple. That's what we hear.

Another one to Mr Gilchrist—Alvin Curling—physiotherapy. The person is writing on behalf of her mom, to you, Mr Palladini. Get this, and tell me that something else matters, something else is more important. "I have just found out about the cuts on Wheel-Trans and I'm not too happy about it. My grandmother is 75 years old and

she depends on the Wheel-Trans to get around also." And the letter laments, makes mention of the world that awaits all of us in one way or the other.

I mean, sure, there's only one taxpayer. Sure, you're on the hook for having printed things that you thought would be easier when you were on the other side and it was okay to collect the favour of the electorate. But it's your responsibility. We pay taxes too. It is all the people who are saying these things.

It goes beyond the cuts; it's a matter of philosophy. It's a matter of searching an equilibrium. It's a matter for all people and you, sir, are the minister. These are the commoners. These are the people who don't have \$1,000 tax-free to give to a philosophy, to get listening, someone to listen to them. And there are more and more of them. Today they come calling. They didn't write to the municipalities. They said, "Oh, I see what's happening." And it's only a sample. They've written to all of us and it was different people. We've all gotten those, and in their own way they've copied the system to make sure that it reaches you.

So when you cut—because you get your marching orders, because you must reduce expenses, and you've made some commitments and you try to go as much as possible towards that goal, and that's a worthy objective. It's obvious that we can and must reconcile the bottom line. I don't think anyone will deny that. People will have different ways in terms of style, in terms of method, but when all is said and done, you have to choose between total and complete adherence to the written philosophy or take a little more time so that Miss Jones does not dislocate, does not fall off the stretcher, becomes less functional in our society and has to be confined in an establishment in a ward of 50.

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I've made up my mind, sir. You have some flexibility. You must meet the bill, otherwise you meet the sheriff and they'll get someone who is more ambitious. I know the way the system runs. I think I do. But yet we're all comfortable with the same system.

I'm here for a plea, because they again don't have the same forte. They don't have enough dineros, enough money, to say, "Well, I'll make my own decision by virtue of being a person of consequence of footing the bill." Not everyone invests heavily into—what are they called, those tax opportunities or shelters? Oh, yes, RRSP, the private pension plans. Not all of them were preceded by their parents who were rich. They tread more humble circles. Again, they built the country, and more often than not, you marry what you are. Those are the circles that you court, and you are as rich and as poor as that 75-year-old person whose daughter writes on her behalf to Isabel Bassett, one of your colleagues, "I'm writing on behalf of my mom; she's 75." She writes to her local MPP, Isabel Bassett, member of the government party. There is a gulf. There is an irony. There is a twist of fate and an opportunity for you, Minister, to reconcile the lot and the good fortune of both of them by Wheel-Trans.

Hon Mr Palladini: Would you like me to respond, Mr Pouliot?

Mr Pouliot: Yes, please.

Hon Mr Palladini: I would like to respond to Mr Pouliot. Number one, we have protected the Wheel-Trans budget for the next two years. It's in place. We are not going to cut. The low-floor busing policy that you initiated is still in place. We do have 300 buses on order of low-floor and we are told that the first of these orders should be coming in sometime in June 1997. We've had to make some difficult choices because of the lack of delivery. We did buy conventional buses but, again, like I said, it was because of the needs.

One big important area that I really feel—and I want to just pick up on what Mr Colle said earlier, in his account and in his history with the TTC, the private sector basically could deliver accessible taxi service at a much reduced cost. These are the things that we as a government are encouraging the municipalities to do, to find ways they can deliver these services in a more cost-efficient way. When I took a look at the variances in costs between one municipality and the TTC, it was like twice as much.

So these are the areas that I encourage all municipalities to see how they can come up with efficiencies so they can take the money that they're going to be saving from an operational sense and possibly alter the qualifiers in an upward scale. That would allow more people to actually come on and get the services. These are the things that we as a government are trying to work with the municipalities on to see if there are savings available and actually enhance the services. That's all we're looking for. We're looking for cooperation in that sense.

We do have a commitment as a government to make sure that people who are in need in general, whether it's on welfare or whether it's a single parent—and these are the things that we stand for, but we cannot afford to keep supporting people who are abusing the system. That really was the whole strategy about the Common Sense Revolution, about eliminating the waste, the duplication and the fraud.

Mr Pouliot: The few seconds that I have remaining—the system isn't made or broken by virtue of abuse. We too find that a zero tolerance on abuse should be the order of the day. You know, you're not the first administration, the government of the day, to have a welfare check, or your welfare police, your snitch line. Then you find out that, when all is said and done, it's less than 3% of people who abuse. Will it cover the cost of enforcement? And it should be enforced. It becomes somewhat questionable. You go to WCB and you might find out that it's a little more, but the numbers multiply quickly.

People who abuse Wheel-Trans, balanced against the increasing numbers, pale in substance. The argument is not based, cannot be made that if we rule out the abuse, we will better be able to afford it. The philosophy has to be more liberal than that. The money has to be there. Now, if you can do it on a more selective basis by having John and Josephine Free Enterprise do it, by all means. Maybe the element of competition vis-à-vis providing that essential service for those who need it, who need it most, will bring forth the best competition. And that is your duty. If you can do this, you will have succeeded where other administrations have not been as successful, and be it, and I want to wish you well.

But what I'm saying is we will be watching carefully to make sure that, when all is said and done, the priority is given so that people can have mobility; the human dimension, number one. Number two, it makes—how would you say?—common sense to keep people out of institutions because it makes them more functional and they feel more worthy, they're contributing. I'm sure you hear me. You have someone, your relatives who are perhaps in this dilemma. I know I do, and it's inevitable. Most of us do.

The Acting Chair: Mr Pouliot, we'll have to continue this at 9 o'clock in the morning. The governing party.

Mr Kells: Ere I get into this, a few things. I don't want to be frivolous, but there were a couple of things mentioned today, and it gets back to a number of times my friends and I have sat around trying to figure out where was Highway 1 in the province. I don't know if you have the answer to this, but I—

Mr Colle: That's Yonge Street, isn't it?

Mr Kells: No, it's not Yonge Street. I don't expect an answer today. We've had the conversation many times, and before your estimates are over I would be pleased if somebody can tell me what was Highway 1.

But anyway, more seriously, more serious things, I really don't want to get into the debate about Wheel-Trans, Minister, but the honourable member Mr Pouliot did comment that we learn from the past and we should be taking those lessons and applying them to the present and maybe indeed the future. I was a member of Metropolitan Toronto council in the late 1970s before there was Wheel-Trans. The huge debate about Wheel-Trans centred around the TTC saying: "Don't do it. Don't get into building yourself a monolith. Don't get into building yourself something that is totally devoted to one subject. We, the TTC, are multifaceted. We understand our mandate in Metropolitan Toronto. We can deliver the service. We can do it at less cost. If you wander into this area you're doomed to be buying special vehicles. It's like having airplanes that don't fly."

1700

The arguments were made, chapter and verse, and as maybe one of the more stabilizing members of that council in those days I voted against the formation of Wheel-Trans and voted to leave it in the hands of the TTC. Here we are, some 15-plus years later; the funding starts to dry up; the special services are somewhat stretched. Everybody is opposed to, if I may make comparisons, a Chevrolet service, a Cadillac service. The TTC has its other problems. I look back. I'm not worried about standing behind that vote back then. I think it would have been better had they left it with the TTC.

Here we are today. In a special group you can always make a special case. I think we need a caring society. Even though, as I said, I used to be a right-winger by classification in the Davis era, I still believe in the social safety net. I'm not too sure how all-comprehensive that safety net has to be. I'm not all too sure just at what cost to society, against other costs that society faces on a regular basis, we can deliver on those services in an increased way and in a more demanding way, time after time. Those are just my comments in listening to my colleague, and I appreciate from whence he comes.

I just have some general questions, and I'm sure it's long gone; it probably was created in the era of the Liberal reign. It was put into concrete in the last five years in the era of the NDP reign. It's the moving of that great facility up on the 401 and your ministry to St Catharines. I know that there are probably cost studies lying around all over the place to indicate why that was and is an economic move. I know my favourite Liberal, Jim Bradley, would probably be here getting quite exercised if we got into it.

I wonder two things. In light of today's economics I guess it's irreversible; I guess the building's built. How far down the road are we? Then I'd love to know what the plans are for that acreage and all those buildings, and one built in my time in government, so it's probably within the last 20 years, which is a considerable size. In other words, does this enormous shuffle of civil servants, this huge capital cost, I just wonder, still make economic sense in light of today's situation?

Hon Mr Palladini: Thank you for the question. I'm going to give you a short answer and then I'm going to turn it over to Mary. I believe she's going to tell you some things that you'll find very interesting.

One of the very first things I did as a minister when we got voted in by the people of Ontario—we took a look at all the expenditures or commitments that we had. Unfortunately, as far as the relocation of the St Catharines facility, we were too far advanced to not go through with it. In other words, we did explore other scenarios to see if it was going to be worthwhile to move. In my old business it used to be said, "Your best loss is your first loss," so to speak. We certainly did take a look at that scenario and it just was not responsible. I believe that it had been so far advanced that we just could not pull back.

As far as the Downsview facility, I think you've touched on that as well. Obviously, we don't need the type of facility that we do presently have in Downsview. Certainly we are going to be exploring ways of how we could maximize moneys that can be generated from the sale or whatever it is that we're going to do with Downsview, certainly relocating some of the people there in other areas and possibly just maintaining a licensing depot there basically.

I don't know; I think I'm going a little bit too far ahead here, but just to show you that I do share that same concern you have. I believe that this government is committed to coming up with the best strategy and streamlining and maximizing efficiency at the cost of doing business for less.

Mary, maybe you could share with us exactly where we are with St Catharines right now.

Ms Proc: I'd be happy to. I'd just like to back up a bit and give a very brief introduction to the Ontario government relocation program. It was begun in 1978 under the previous Conservative government, with relocation of the Ministry of Revenue to Oshawa.

Mr Kells: I don't want to interrupt, but—

Mr Colle: Were you there then, Morley?

Mr Kells: No, I was around as an executive assistant. I don't know what you're talking about in relation to Oshawa, but keep going. It's unfair of me to interrupt.

Ms Proc: The St Catharines move was announced in July 1990 by the Peterson government and subsequently reconfirmed in November 1990 by the NDP government. As our minister has said, in August 1995 all of the moves were revisited and at that time the move of the Ministry of Culture, Tourism and Recreation to Niagara Falls was cancelled, but Transportation's move to St Catharines was considered too far advanced to be cancelled without significant penalty.

You're asking, "Does this make sense?" In terms of the original rationale, the purpose of the program was fourfold: First of all, it was to send stable government jobs outside of the GTA area to local economies that were troubled by low or fluctuating unemployment; secondly, it was to encourage economic development through spinoffs that would arise from people living in that community with higher buying power; third, it was to lessen the growth pressures in the GTA, and this was considered very achievable, especially since the dawn of information technology made it possible for ministries to locate in the province as far as Sault Ste Marie or Thunder Bay; finally, the rationale at that time was to improve the size of the province's capital asset base and improve its holdings.

Mr Kells: Mr Palladini's people ramble on with lots of detail and I'd like to sort of cut in there.

If I may, Mr Chair, Mary is really making my point for me. The point she's making is that the rationale for these changes is certainly outdated and is long gone, and maybe they didn't have a sufficient base to begin with. She talks in terms of jobs, moving jobs around the province. I'm not too sure that as we sit today maybe St Catharines isn't in better shape than Metro, generally speaking. That's an argument to make for another day.

She mentions 1978 and Oshawa. I assure you, if we Tories would have done that, we'd never have sent it to Oshawa. We may have the riding now, thanks to Brother Ouellette, but back in 1978 that was not the case.

Mr Bisson: On a point of privilege, Mr Chair: Did I understand the member correctly to say the determining factor of where a project went under the Bill Davis government was based on who held the riding, and was it a member of the government?

Mr Kells: Oh, dear me.

Mr Bisson: Did I just hear you say that?

Mr Kells: No, you didn't hear me say that, no more than you heard me say what your colleague says about a number of things. Let me finish what I'm talking about and let's not conjure up phoney points of privilege. If you want to play that game, I'll play it with you all day long, but that's not what I said. What I said was that the rationale—

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Mr Bisson: On a point of privilege, Mr Chair: I do believe that the standing orders are quite clear. A point of privilege allows a member to raise a matter which he believes is a question of privilege. As defined under the standing orders, a question of privilege is when a member is being treated differently by virtue of what political party he may come from or an action on the part of the government that puts that member at a disadvantage.

I clearly heard the member say that a project would have been awarded on the basis of it being a Tory seat. I just wanted clarification, and that is purely within my right as a member. I object to the member saying that it's a foolish point of privilege; it isn't.

Mr Kells: Well, if you make your ruling, Mr Chair, I'll be happy to continue.

The Acting Chair: I think that we'll have to check the Hansard.

Mr Kells: Yes, check the Hansard.

The Acting Chair: Thank you. We will continue.

Mr Kells: May I go back to the rationale. We're talking about why decisions are made to move ministries, and you mentioned jobs. I wondered about whether or not in districts that still applies today.

Ms Proc: Sir, if I can just make three very brief points. The construction alone of that building generated 1,300 full-year jobs.

Mr Bisson: Whoa.

Ms Proc: Just in terms of the jobs, and in terms of Downsview, it's going to free up a minimum of 200,000 square feet that will be used to collapse third-party leases that other ministries are in so that they can be accommodated in any vacated space at Downsview.

Mr Bisson: Sounds like common sense to me.

Mr Kells: As I try to make my points, possibly you might, through your minister, file some of that documentation that says exactly where the savings are going to be in relation to acreage. In all due respect to your expertise, I would like to see the rationale in the light of 1996 that says the tradeoff that you're making, and the point you're making about freeing up space for new ministries, is indeed something that can stand the test of time today. I'd love to see that.

You said that there were growth pressures, and one of the reasons to move people out—I don't think in light of today's—I do know the development industry—that growth pressure is there. I'm not really here to beat on the four reasons that were made for moving back in I guess the late 1980s, the final decision in the 1990s; I'm here to wonder whether it makes economic sense today. For you to defend the decision that was made, I guess I understand it, but it's really not what I was here about. I was only here about to say, does that still stand up in the light of what's going on?

As the minister says, if it's irreversible, then it's irreversible, and so we know that's a done deal. Then I wonder, is it a situation where the total number of people who were planned to be moved is still a fact, or are we dealing in a potential situation where we could be talking about three quarters? Those are the kinds of things I'm talking about. I'm not saying that you can undo bricks and mortar and I'm not saying your rationale, maybe, at that time was false. When I mentioned Oshawa, I found it hard to believe. I was not a member of the government of the time but I still find it hard to believe. So that's all.

If we're going to march off into these things, once started, and just keep doing them because they were started, then fine. Why do we have estimates and why do we ask questions?

I wonder if it still stands up, and I do not care what Mary says about moving three ministries up there. We

could look at moving three ministries somewhere else. That is a huge swath of land and there's a considerable investment in that land, and all of a sudden we are marching off a number of people, even with modern communications and all that, to another part of the province. In my mind, the fact that we've got modern communications may be a reason not to march them off to another part of the province. I'd like to see those arguments. All I really want to know is, do the economics of that move still make sense in light of today's situation? Also, what is the future of this great piece of property up there on the 401? Mary has answered and you've answered; I don't ask for any more.

Hon Mr Palladini: I haven't answered you. I basically answered the first part of the question. You are asking two clearly different questions. One, I believe, is, would we do it again? I can clearly say to you, definitely not. Is the same number of people originally planned to go to St Catharines in a relocation going? I can definitely say definitely not. We are readdressing that situation; that one, we can. The first one I can't undo; it's done.

As to the old location in Downsview, I believe I said we are taking a look at what can be done to see how we can utilize the facility and possibly sell it and get the money into the coffers, put it towards our debt, whatever. That is still at the exploration stage, but since we're in it now, we've got to go full steam ahead. We've got to take a look at whatever savings we can generate by possibly moving, like Mary said, other ministries paying rent when we have a facility they could move into. Those are things we're going to consider.

Mr Kells: I appreciate your answer. I'm sure you understand that there's a considerable amount of personal aggravation involved in moving people, and possibly there are ways around that. We worry about how we affect citizens and we worry about how we deal with our people who work for us, yet that is probably the greatest shuffle of employees that I, in my time, have seen take place. I'll move from that, Minister. I accept those as very rational answers to what I had in mind.

I just want to know about the smart card. I've got the Star in front of me from two days ago. The smart card has been announced from a Ministry of Health point of view, and indeed the Toronto Star article refers to former Minister of Health Ruth Grier's attempt to bring in a smart card that dealt with health and privacy and the best way to protect against OHIP fraud.

As a citizen who gets increasingly confused as I go to my licence place, whether it's to get my licences or my driver's licence—I even have trouble getting that straightened out from time to time. I make a humble admission that I one time got my licence and put it on my wife's car. We do get confused.

If there's going to be a smart card, is it something we're going to pick up at the licensing office? Is it going to be a card that takes over for all these functions? Where does it come down in relation to the driver's licence, as I understand it?

Hon Mr Palladini: I hope I can shed some light, because I too read the same article you're referring to. I can share this information with you, that there have been ongoing discussions within the ministries to see how we

could develop more efficiency as to as the exploration of one card: Could we accommodate the various ministries that will be utilizing a card with one? Nothing has really been defined. We are in the process of seeing exactly how we can do it. Our ministry, I believe, should be one of the main participants. I have made it known to the Premier that I feel MTO should be a major contributor towards whatever it is we want to end up with. I can only say to you that we are very much aware of what I believe we should have in place, and we're going to make our opinions known.

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Mr Kells: I appreciate the answer, Minister. If we're going to do something along this line, the one focal point for the people of Ontario seems to be the licensing office. My concern is that we don't confuse the public any more. If we're trying to simplify and improve services through a so-called smart card, it's my hope or my request that at least where you go get this thing is someplace you recognize as a government office that you can go into over a period of time. If you have any say—I'm sure you have—when we get down to how we deliver this service to the public, don't confuse us any more; try and let us get the damn card, if that's what we're going to have, at an office we can recognize, even if you have to identify it as a Ministry of Transportation office and some other value put on the identification.

Hon Mr Palladini: I thank you for your support, because I definitely feel exactly the same way.

Mr Barrett: Mr Palladini, I want to raise the issue of highway access. I don't know where Highway 1 is either, but Highway 3 runs across my riding. As its number suggests, legend has it that it was one of the first highways built in Ontario. At the time, it was advertised as the tourist link between Buffalo and Detroit. Time has passed this highway by, and in many ways it's a rural farm road with extensive commercially built-up sections with the small towns that have grown in a moderate way along this highway.

Over the last 21 years, this highway, because of the traffic, has been labelled "controlled access" to ensure that the public is not put at risk. It has caused problems over the years with farmers and business people who, understandably, have very little interest in the Buffalo-Detroit requirements, other than, say, some of the tourism-based establishments. They want to run agribusiness on this highway. They want second laneways. Oftentimes other uses are developed on this land—trucking, logging operations, fruit stands—that require a lot of changes in the access to the highway. One thing they run up against in, say, trying to switch an agricultural laneway to a commercial laneway is the fact that, as I understand it, no commercial access can be established within 1,000 metres of another commercial access.

There is a number of specific cases that I've been embroiled in, and these issues actually go back to previous governments. We know safety is the uppermost concern, but a lot of these rules and regulations may not fit in some areas. They are inhibiting real estate transactions and inhibiting business and job creation. I find it difficult to justify or explain the reasons for some of

these regulations. My question really is, what is the overall rationale for these kinds of regulations? What is our policy on access or controlled access? Where lies the flexibility in a policy like this?

Hon Mr Palladini: Thank you for the question, Mr Barrett. I believe we were elected to remove barriers and get Ontario going again, and I certainly do agree with the opportunities that exist. Access has been one of the areas that has been keeping our people very busy. I believe we must be able to come up with another way. As to the parameter of the municipality on a provincial highway, I believe we've got to come up with changes. I have instructed our staff to take a look to see exactly how we can come up with those changes, but changes that are going to be in a positive mode, not just for the sake of making them.

I believe Carl Vervoort will be able to tell you a lot more, because I'm very much in support of what you're saying. I want Carl to share with you some of the things we are attempting to do.

The Chair: I'll give you two minutes, Carl.

Mr Vervoort: First, you asked about purpose. As you said, the purpose of our corridor control activities is to protect the safety of the travelling public, and second, the integrity of the highway system, in terms of the provincial role being through-traffic and municipal roads being primarily for access to adjacent lands. Those two systems play different fundamental roles in the transportation system.

We're also trying to minimize, through our corridor control practices, the impact of development on the highway system that might adversely affect either safety or capacity. Of course, by managing the points of access, we would also hope to reduce our further obligations associated with reconstruction costs and maintenance problems that we might encounter.

Specifically, on Highway 3, that particular controlled access designation does attract a special set of control characteristics, the most significant of which is that access from a controlled access highway is only by public road. There are no private entrances typically permitted, although on occasion such private entrances have been permitted on a temporary basis as long as ultimate access from a public road could be assured.

The designation of that particular thing goes back to 1966. More recently, there has been a review of Highway 3 and the designation in a 1995 study entitled *Trans Focus 2021*, which I draw your attention to. I don't know if you're familiar with it, but I recommend it to you, because it does contain information in there that specifically addresses the ultimate routing of a proposed new two-lane Highway 3 from Ostryhon Corners easterly to Highway 56. This is a long-range plan, so you've got to appreciate that. The expectation is that that new road will in fact be required by the year 2011 to 2021, so it's certainly a long-term interest that we have to protect for.

It's acknowledged that perhaps the specific alignment of that needs to be revisited, and the intention is to study where that route should be located. It is possible that a different route might ultimately end up being selected for the Dunnville area. That's the current status of that.

Mr Colle: If only we could undo many of the things that we did in the past. With transit authorities, Mr Kells was talking the history of Wheel-Trans. You look back at the decision, for instance, to do the SRT in Scarborough, at what that's cost us; and bringing over the articulated bus from Hungary and all these things. What happens is that an operation like the TTC or GO would be the same. You're forced to basically make a provincial hobby-horse look good, so your maintenance costs may go through the roof.

So the next government will come along and say, "The TTC is spending all that money on Wheel-Trans and spending all that money running its system," but then you've got the provincial government saying, "Listen, we've got to sell this technology internationally. The Russians, people in Detroit, they want that SRT. It's going to be in every state in the world, so you buy it, TTC, and make it look good." So you have the men and women on the maintenance at the TTC working around the clock and saying, "This is basically garbage." But they've got to put all the man-hours into the thing, your budget goes through the roof, and the province is saying, "Oh, no, no, keep working at it." And then the next thing comes along.

With Wheel-Trans, what happened is that, as you said, the TTC didn't want it. They knew that basically it would become like the tail wagging the dog; it's an immense responsibility. They have their hands full with conventional transit, and all of a sudden they're asked to take on something that's complex. It deals with health, it deals with social community values, a whole series of things. All of a sudden you've got a transit authority asked to be like a community service and being a leveller of the economic situation.

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It's pretty easy to say: "Look at TTC costs for Wheel-Trans. They are so high." The minister keeps on repeating that, but what the minister doesn't look at is that that was given to the TTC to do, with all the baggage that goes with it. It's something they've tried to do and it has been most challenging. I have sat through—at the TTC, one of every three hours we spent was on providing disabled transit. The men and women there tried their darnedest to straighten that problem out, but it wasn't easy and it still isn't easy, and I know, as we get into another era of providing that kind of very important transit, it's not going to be easy.

Look at such things as accessible taxis. You remember this. We tried to get accessible taxis in Metro, and I think in all of Metro there were only about 10 or 12 of them. We asked the private sector. We gave them \$5,000, \$10,000. We did get, though, the cab industry, the regular cabs, which were in the recession, dying, and they said, "We'll take the ambulatory for you," and they have done a very good job. They said, "We'll come in," and they did very well.

It isn't as easy as just blaming a system, especially in Metro, because everything's a bit out of whack. You say, Metro costs twice as much to deliver the same service. But someone living in Agincourt can ask, under the present Wheel-Trans system, to go to Sherway. I know

there's one individual who went once a week. He went from Agincourt to Sherway Gardens because he liked the shopping down there. He did it, and it was his right to do that, and you couldn't deny him his right to do that.

You wouldn't get that in Kitchener or you wouldn't get that in some small town where the geography obviously means you're going to have less mileage, so it looks a lot cheaper to provide that service in a small town or in a smaller community. But in Metro you've got the reality of catering to people who have to go long distances. If their doctor or their specialist is across town, or on the other hand, the way the rules are, if they want to go shopping or whatever they do, that's their right under the rules and we have to give them that ride.

In terms of defending the TTC, I have to say let's look at all the pieces and parts that make up the delivery of a service, because nothing is as easy as an instant expert thinks it is. We have to learn by that. If you're going to look at disabled transit, I believe in private sector partnership. That's one of the keys, no doubt about it, because there's a lot of potential out there. But it is not just as easy as changing one rule or regulation, because you deal also with the definition of "disabled." It's going to be a growing problem because we're going to get more and more seniors demographically on our system.

But it's something we can't walk away from. Either by direction or by guidelines, we're going to have to continue to offer that kind of service. How best we do it, how efficiently we do it, is better done through a long-range perspective and dealing with it in a way that just doesn't try to solve the fiscal problem today, because you've got to build it. It'll be manageable, but it'll never be perfect, because the demands are certainly going to be there.

In terms of the general transit picture, one of the challenges the minister and the ministry are going to have—and I'm going to ask Mr Guscott—is that you're going to have a lot of push and pull taking place. You've made a major commitment to Sheppard, and I think that's positive. If you look at McCormick's numbers in the study he did in the Golden report on the demographic shifts, it's pretty scary. If you were going to invest in transit—being at the TTC I had to have my Metro hat on; now I can have more of a provincial hat on. If you look at those demographic shifts taking place from McCormick's numbers, across the GTA you've got to put your money into Halton, you've got to put your money in York region, you've got to put your money into Durham. That's where the people are going to be living and working. That's where the population growth is going to be. It's not going to be in Metro, as we thought; that growth in Metro's not going to be nearly—I can't remember the exact numbers, but if you look at those studies Golden has, you'll see that the real growth is in the 905 fringe.

How do you provide, not only public transportation, but day-to-day road and highway transportation effectively across that kind of region? That's why I thought there should be more mention of GO in your plans for the future, because that has to be there front and centre. As expensive as it is, that's where you're going to get the biggest bang for your buck: You've got some of the

infrastructure already in place; you've got those abandoned rail lines criss-crossing everywhere. You've got to put that to the top of the agenda.

The other thing we've got to start to look at—and Mr Kells mentioned the communications changes—is the whole movement towards home-based businesses, the telecommuting that's taking place, the web sites. You talk about moving people to Niagara, to St Catharines and all this. What impact is that going to have on moving people on highways or moving people on transit? We have to somehow factor that type of thing into the equation. At the TTC and at Metro, no one did that kind of analysis. It was a coming thing and I asked them, and they said, "We just haven't got to that point yet."

I don't know if people at MTO have started that, but it's a very new area. There's no doubt that more people are working out of their homes and are going to continue to work out of their homes. As the minister, in terms of where you're going to be spending your money, I would hope that some of your resources go into that kind of pre-emptive planning that I think in the long run will save you a lot of money. No doubt, if you look back at what we've been doing at Metro and the TTC, you can second-guess us to death, that we shouldn't have spent money here, we shouldn't have spent money there, and I agree. We made mistakes.

But I would ask you, Minister, to make a commitment that you're going to do this kind of examination in terms of where we're going, because the important thing is where we'll be six years from now by the decisions you'll make now. I just want your comment on that.

Hon Mr Palladini: I appreciate your comment. I'll certainly take it under advisement; it's an excellent comment. Certainly we have to learn from the mistakes, and I guess the easiest thing is to be critical when a mistake has been made. But I can assure you that this government is committed to providing the balanced transportation system for this province.

I really believe the GTA, the 905, as you referred to it, is the potential growth. We must have a vision. What I said the other day is that in my vision of GO, I see it becoming a lot more than what it is. We've got to take advantage of what we do have in the shortline rail. I believe, as you said, that we've got to explore the possibilities of how that can be incorporated.

On future expansion on subways, as you said earlier as well, I agree that it has to be taken into consideration and done with a vision. But we've got to do it within an affordable mode, and that's really the problem we have. We'd like to do a lot of things, but unfortunately, because of the fiscal situation we find ourselves in, we're not able to do them as quickly as we would like. We have to learn to prioritize, and sometimes we might make a mistake in the order we prioritize. I'd like to go back to what you said. I hope we learn from the mistakes that we have made and we can minimize those mistakes and create a better transportation network in Ontario.

Mr Colle: If I can ask Mr Guscott, in light of the fiscal realities, in light of the commitments and what's happening to investments, whether they be in the road network or the transportation network—and really, when we're talking about the GTA, it's going to get to the

point where it's going to be from Windsor to Cornwall, almost. That's what it's coming to in terms of transportation, and then with the linkages up north—

Mr Kells: A local road from Windsor to Toronto, you're saying.

Mr Colle: What are some of the approaches you're going to have to try and meet this challenge?

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Mr Guscott: In July of this year, the minister met with the regional chairmen of all the regional municipalities in the greater Toronto area and outlined for them a GTA transportation plan which staff had been a few months into at that stage, which was being discussed with the political leaders for the very first time. In that GTA transportation plan, we are looking at the kinds of things you're talking about, Mr Colle, everything from specialized studies of the role that telecommuting and work at home will have on the transportation system—and you're quite right. People in the past have taken the view that it's either exactly the same as with the telephone, where some claimed nobody would ever leave their office and would always talk by telephone, which isn't true; to the other extreme, that it will cause the collapse of especially those kinds of transportation systems which have high fixed costs. What that really means is that if there's a lot of telecommuting, roadways become the big winner and transit systems become the big loser. A transit system has to run whether there are people in each car or not, and if people work at home three days a week, they still expect that transit system to be there for the days they are going to go and make calls or go into the office.

Mr Colle: If I might interrupt for a second, what we saw in some early trends was that the telecommuters or the people working in home-based businesses were doing a lot of running around off-peak. You could do that with your automobile; therefore, there would still be a lot of traffic. I know there was a real shift in peak periods, rush-hour.

Mr Guscott: The data are so far inconclusive in terms of whether that's a short-term phenomenon, because the very same phenomenon you're talking about corresponded with the time when there was a huge increase in part-time work. I know the TTC had trouble modelling which was the cause and effect in terms of those initiatives.

This year being a census year—every five years we take a snapshot of people's commuting trends in this area in a very large study that's done cooperatively with all the municipalities in the area. We do gain valuable data that help us in the planning, and this will be the first snapshot where, we expect, telecommuting will be a much bigger factor than it has been in the past.

Mr Colle: The GO network, you might say, is like the skeleton of transportation that really goes throughout southern Ontario. With the cutbacks into their expansion programs, how are we going to—"we," I'm saying. I guess I do mean "we"; we're all going to use the system. What is the strategy to counteract that withdrawal back on reinvestment in GO? That's what I'm asking.

Mr Guscott: The dilemma that causes the problem for municipal transit systems and the GO system relates to the market development and the land use pattern that's

involved. Those are long-term factors. The second-biggest factor in terms of transit usage is the land use pattern. We have to change views around intensification if we're going to have viable transit systems in the future. Metro has known this, and Metro hasn't made a lot of decisions around intensification. In fact, I would argue they've made no decisions for intensification in the last five years. It's a dilemma. That's where the problem is facing us in the toughest way, and that's where we haven't yet seen change.

In the 905 area in particular, there have been changes. York's official plan, their first official plan since they became a region, has special provisions in it to encourage transit in that area, and for an area that has not had a history of transit, it's quite a substantial change.

Mr Colle: John Livey.

Mr Guscott: Exactly. John's been very instrumental in having that happen.

At the same time, and for the reasons you've talked about—it's interesting. You talked about your perspective changing now. One of the dilemmas we've had is trying to get proper appreciation for the fact that even for the TTC, their growth market is going to be in the transboundary movements. They have come some way, but it's been hard to realize that it's in their interests to work with the much, much smaller transit properties that surround them so that they have a mutual benefit in terms of a better-integrated transit system, one that's better integrated for the users. With a GTA transit pass, we're getting there. We have a common map. We're hopefully soon going to have a common information system.

Mr Colle: May I just interrupt you on that? Somebody was talking about the smart card earlier. I know there was an examination of the cost, and it was quite prohibitive. Is there the technology to have that smart card that you use for medical services or for other transportation services also used for a debit card for transit use? Is that being looked at?

Mr Guscott: That's theoretically possible. For the very reasons you talked about earlier, dealing with confidentiality etc, it may not be necessary. We may be able to carry two smart cards in our pocket.

Mr Colle: An independent one for maybe Ministry of Transportation usages, which could go to everything from driver's licence to transit uses.

Mr Guscott: Or you could have one that related to mobility—mobility and communications, by the way, because you can use the same thing in a telephone—where you could have a transit card that would be useful on a transit system, that may be useful in the future on toll roadways, which may be useful in parking facilities etc. There are a lot of those services that can be taken into account in a mobility card.

Mr Colle: Are those encumbrances between inter-regional bus travel, like the Mississauga buses coming through empty, has that not been rectified yet?

Mr Guscott: It's getting there. It hasn't yet been rectified. The best example is the Dixon Road situation where you can get almost to terminal 1, terminal 2, terminal 3, on TTC and then you have to change. There is some movement in there, but frankly, both the TTC and Mississauga Transit wanted substantial provincial

subsidies to make the changes that were necessary, and we're not in a position to be able to do that. They've gone back and they're studying it again to see if there's another way. But we are making some progress in that area, and I think the progress is coming because of goodwill.

I will say as well that the GTA transportation plan has the planning commissioners from the various regions and Metro involved in it, and it also benefits from having TTC and GO Transit senior officials present, as well, the managing director and chief general manager. This gives us the opportunity to combine the benefits of the land use system and those who have a strong voice in how it's changing with the very practical day-to-day decisions that need to be made around the future of an operating system.

Mr Colle: That gives me a pretty good overview in terms of what's happening. I have a final question just in terms of the budget processes here. The moneys in the OTCC—is it \$2.5 billion that's in the budget for transportation, including capital? Just to have that straightened out.

Mr Guscott: In terms of the way your book appears right now, a number of expenditure programs actually show as coming out of the Ontario Transportation Capital Corp which in fact in December were restored back to the ministry. You should really just consider now that the transportation capital corporation is responsible for Highway 407. The 407 is exclusively in the transportation capital corporation, and everything else you see here that shows things the transportation capital corporation is doing and lending money to the ministry, you should regard as direct expenditures of the ministry. It was a tidying up process that occurred.

Mr Colle: The subway commitment, for instance, would be—

Mr Guscott: The subway commitment is in the ministry's budget.

Mr Colle: Along with the commitment to Sheppard and the subway car order. That's all folded into here.

Mr Guscott: That's correct.

Mr Pouliot: Just briefly in the little time. We go from dilemma to impasse and it brings forth intrigue. I'm starting to wonder, how many sets of books do you have? Are they being—well, not are they being cooked. I'm not the one saying this. As members of the public accounts committee, maybe Erik Peters will pay you and you, sir, the compliment of his visit. I'm sure he'll be granted the pleasure of your audience when he looks at the books, because we're becoming a little suspicious. We want everything to be aboveboard.

More to the point, tomorrow—and I'm begging your indulgence, Mr Chair—two hours, 10 to 12, time split equally three ways? We have competing estimates. We all have a different agenda. There are so few of us. We have been decimated in terms of numbers, and many are already running to position for leadership, so it's a matter of so many bodies being at the same place. It would only cut by a few minutes.

The Chair: Mr Pouliot, you are saying that the committee could meet tomorrow from 10 to 12 and divide up the hours equally? Do I get an agreement there? Good.

Could I make a suggestion, though? My understanding is that the minister will be unavailable tomorrow; he made that indication before. May I suggest, Minister, that your parliamentary assistant or someone be here? The only reason I say this is that for this wonderful staff from Transportation, their trying to defend the political agenda is sometimes rather difficult. If the parliamentary assistant could be present, it would be helpful to respond to that. If not, well—

Hon Mr Palladini: I understand that. Unfortunately, my parliamentary assistant is busy next door in the committee hearings and he'll be there at 9 o'clock tomorrow morning, so he is not going to be able to—

The Chair: That's fine with me. I just thought that with the numbers, as Mr Pouliot said, 82 to the decimated numbers the other parties have—okay, we'll see you tomorrow. We adjourn and convene back tomorrow from 10 o'clock till 2 for the estimates of Transportation.

The committee adjourned at 1751.

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**In attendance / présents*

Substitutions present / Membres remplaçants présents:

Preston, Peter (Brant-Haldimand PC) for Mr Jim Brown

Colle, Mike (Oakwood L) for Mr Michael Brown

Fox, Gary (Prince Edward-Lennox-South Hastings / Prince Edward-Lennox-Hastings-Sud PC) for Mr Clement

Pouliot, Gilles (Lake Nipigon / Lac-Nipigon ND) for Mr Martin

Also taking part / Autre participants et participantes:

Miclash, Frank (Kenora L)

Clerk pro tem / Greffier par intérim: Decker, Todd

Staff / Personnel: Richmond, Jerry, research officer, Legislative Research Service

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Official Report of Debates (Hansard)

Thursday 15 February 1996

Journal des débats (Hansard)

Jeudi 15 février 1996

**Standing committee on
estimates**

**Comité permanent des
budgets des dépenses**

Ministry of Transportation
Ministry of Health

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Thursday 15 February 1996

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Jeudi 15 février 1996

The committee met at 1002 in committee room 1.

MINISTRY OF TRANSPORTATION

The Chair (Mr Alvin Curling): Could we commence the hearings on estimates for the Ministry of Transportation. As agreed, today we'll end at 12 o'clock. When we stopped yesterday, we were then proceeding to the New Democratic Party, their time. It's 20-minute rotation until 12 o'clock.

Mr Gilles Pouliot (Lake Nipigon): Let me begin by wishing you and everyone here the best of good morning. As I look around I see that each and every one is gainfully employed on the eve when the guillotine, where the decree is about to chop jobs, livelihood and lives in a fashion unprecedented. I say this to remind us one more time of the painful truth. I also say it in a tone because I will ask direct questions, and I would expect as an elected member of Parliament from the civil service the truth. And I shall find out, if not today. That's my right as a member of this panel and it's my right as a representative of the people to get the truth. If people lie, for whatever reason, whether they lie to save their jobs, they will have perjured their mandate of office. Again, I am an elected member seeking the truth. Everything I will ask is legitimate. And if they don't know and if they lie by omission because they can't give me a "ballpark" figure, then I will assume that they will lie to no end to save their jobs.

I would like to ask someone—

Mr Morley Kells (Etobicoke-Lakeshore): What's this about?

Mr Pouliot: It's my time. You can say your time and I won't disrupt you.

Mr Kells: What a strange way to start.

Mr Pouliot: Mr Kells, go home, face your family, tell them how much money you're making.

Mr Chairman, I have some staffing statistics that are required. Can I call someone?

The Chair: You may do so. Again, I'll ask you to state your name and your position.

Ms Mary Proc: Mary Proc, assistant deputy minister, corporate services.

Mr Pouliot: We'll do it in English. It will be less painful, Madam. We won't do it in Spanish nor in en français.

How many employees do you have at the Ministry of Transportation, approximately?

Ms Proc: We have authorized staffing level of approximately 8,450, but our staffing is currently sitting at approximately 8,000.

Mr Pouliot: I see. Women and men, 8,450, but in this context—with respect, bodies—real people working, about 8,000; 450 are vacancies or jobs that are not filled. In your estimation, how many of those 450 jobs—it might not be precise—could you dispense with, in your opinion?

Ms Proc: That's a very interesting question. We know that the trend across North America is for governments to become smaller; however, we won't know the exact size and shape of our staffing until the ministry's business plan is approved by cabinet.

Mr Pouliot: For instance, you have six assistant deputy ministers and you have six grader operators. Obviously, the Harry Smiths of this world who are grader operators are needed, and so are the six assistant deputy ministers because they prepared the list. You won't see their name on the list, but we can't say this and I know that.

Ms Proc: Sir, we're actually sitting—

Mr Pouliot: Maybe there's a couple of hundred there; right?

Ms Proc: Right. But we actually only have four full-time ADMs at the moment.

Mr Pouliot: Okay. So you have 8,000. How many people have 25 years' seniority or over?

Mr E.J. Douglas Rollins (Quinte): You heard that yesterday. Don't you remember?

Mr Pouliot: Yes, thanks, Doug.

Ms Proc: Approximately 18% of our staff have over 25 years of service.

Mr Pouliot: Eighteen per cent. Yesterday it was slightly above a thousand and—

Ms Proc: It's 1,275.

Mr Pouliot: Okay. So 18% with 25 years or over; thank you. What is the average seniority?

Ms Proc: I'll answer that question in two parts because we have classified staff, those are our permanent members of the OPS, and we have unclassified staff. Among the classified staff, the average years of service is 15 years, and among the unclassified staff two years.

Mr Pouliot: What is the average age?

Ms Proc: Again, among the classified staff it is 43 years old, and among the unclassified staff 35 years old.

Mr Pouliot: You have given me the averages. Can you give me the mean—50% above, 50% below—on the same two questions?

Ms Proc: No, I'm sorry, I can't at this moment, but I can follow up with you if you so desire.

Mr Pouliot: What's the average salary? \$50,000?

Ms Proc: In terms of forecasts that we do, generally speaking we use a \$50,000 figure.

Mr Pouliot: So 8,000 staff, real people presently employed, 81,000 people in direct relationship with government, 10% would be 800 jobs—8,000 jobs; but no, no, they're going to go. Charlie the Chopper is more vengeful than that, the guillotine is well oiled and more heads will fall because it is quite popular out there, you see. There's a perception, «chuchotée», encouraged, excited by whispers, by winks and nudges, of people being overpaid and not working hard enough. So let's say 16,000, because I heard 13,000—treasury board says it's more than that now; they really don't know, but they know it's quite up there—and I've heard the catastrophe of 20,000, 27,000. So let's say it's 20,000. That would mean, and why not, that there would be 1,600 to 1,800 people, real people, that you will have, and you, DM, and you, ADM, and others, to hand the pink slip; maybe escort those with seniority, because who knows what reaction you will have. It depends on the style they have. They've been working there for 15 years serving the public, but on Friday afternoon maybe they go punchy. You don't go punchy. Families will begin to dislocate. We'll get fewer services because you have to assume that everybody's working, and working damn hard. I'm proud of the civil service, and I've said so several times. We're about to lose 1,600 jobs. Is that right, grosso modo?

Ms Proc: Sir, I cannot confirm that. I can say that, with an authorized staffing level of roughly 8,400 people, with us having 7,000 classified civil servants, we have the ability to manage future program changes.

1010

Mr Pouliot: Madam, I'm an adult. Please, with respect, only the truth. I work with professionals when it comes to the untruth.

Mr Peter Preston (Brant-Haldimand): Point of order, Mr Chairman: My friend across the floor has thrown around the truth and lies. Now he's impugning his own witness whom he's called up here. "Only the truth, ma'am, only the truth," which suggests that she has not said the truth. That is not acceptable conduct in this meeting.

Mr Pouliot: I will rephrase it. The point is well taken. The point is well taken from Mr Preston. You see, I'm trying to determine, because my constituents pay me to be here. There's nothing worse than anxiety. They're looking at one another. They're looking at the collective agreement. They're into the first bump, the second bump. Some of them don't have the collective agreement, so it's a normal reaction. You know, 90% of my constituents who work in the civil service don't go to work because it keeps them young or, not only that, because they want to deal with the public, or because it's a second paycheque, an extra income. I mean, if you make a commendable wage it could be. But they simply go to work because first they like what they're doing, there's no question. They have a great deal of satisfaction in serving the public and they appreciate the paycheque. Clothes cost money, madam. The lifestyle—I only work here in Toronto—is very expensive. If you don't want the mascara to run, you must buy a better brand, and that costs extra money too.

When will we know? Surely someone, if not you, maybe you, Mr Davies, must have a good idea this time.

I mean, these things don't happen overnight. I'll tell you why they don't happen overnight, and I know they don't, because it's quite recent. When we got our marching orders to reduce staff by 700 or thereabouts—

Mr George Davies: By 579.

Mr Pouliot: —by 579, it took a long time. We had a lot of planning. You and I talked. Now I'm here on the other side and I'm asking the question: How many people in the next two years, and when will they be let go? Do you have any idea?

Mr Davies: As the honourable member well knows, these decisions are generally taken at budget time. You will then hear in due course if there are questions that pertain to the 1995-96 estimates with respect to staffing levels. We're prepared to do that. But one thing I would like to add in the context of the 579 person-year cuts that were decided upon by the previous government, as the member knows, we were able to manage those with a combination of retirements, staffing freezes and elimination of funded vacancies. So the net result was, I believe, no layoffs.

Mr Pouliot: So you've had no directive whatsoever? You don't have an idea of how much staff you will be asked to cut at Transportation?

Mr Davies: Those decisions have not yet been made.

Mr Pouliot: But have you had an indication of any sort?

Mr Davies: Those decisions have not yet been made.

Mr Pouliot: The decisions have not yet been made. In other words, you're telling me it's none of my business, or you're telling me that you don't want to tell me what you know.

Mr Davies: I'm telling you that those decisions have not yet been made.

Mr Pouliot: I know you know, and you know I don't know. You have an idea of how much staff you will cut. That's all I want to know. It's like pulling teeth here. Can you blame me?

Mr Davies: Those decisions have not yet been made. They will be made in the context of the next fiscal year and will be based on business case assessments. A whole series of decisions has yet to be made.

Mr Pouliot: The government, in its Common Sense Revolution, which you must have heard about, mentions 13,000 jobs. You don't have to be too much of a rocket scientist to figure out that you will take a hit, given the size of the ministry, that no one is immune. You know very well that you can't go to factor 90. We've established this through questioning, and I thank you again. You can't go to factor 85, because the semivoluntary, the inducement, the encouragement was done through the 579, and I thank you for the exact number. We've established the average age.

Those are people who will get canned, will get axed. They're vulnerable. When they write on their application the big five-oh, age 50, or age 47, and when they write underneath, "for the past 15 years, civil servant," they might as well write "politician" or a member of another profession, good advocates all. Their chances of getting a job are not very promising.

Because of the lack of respect because of the bender, the philosophy, that you, madam, and you, sir, you, sir

and you, sir—not you—are on, all I want to know is, bridge that anxiety by telling people, “You’re about to lose your job.” Anxiety leads to fear, fear leads to mistrust, rumours take on extraordinary proportion, the lights get dim, a can of worms goes to a bag of snakes—people scare one another. You have the responsibility to stop that anxiety by coming clean. When can we expect that it will be done, Mr Davies?

Mr Davies: You can expect, sir, that the initial indication will be given in the Finance minister’s budget speech.

Mr Gilles Bisson (Cochrane South): I just want to follow up on that, Deputy Minister. You’re saying you’ve been given no direction, the government has not yet made up its mind, you have no idea, because they haven’t told you, of how large the cuts are going to be to your ministry as it affects the staff of the Ministry of Transportation. You said, “You know as well as I do that’s budget decisions.”

I’ve been around government for a while as well, and I remember the expenditure control plan. It wasn’t done around the time of a budget; in fact, it was done way before a budget. It was done, if I remember correctly, January or February, where we as a government went to the ministries—you were the Deputy Minister of Transportation at the time, I believe—and said: “Here’s where we want to go. Here’s the percentage reduction we want to do in the overall global envelope. Let’s figure out what the impact of that is.”

What I have to ask you is, has the government given you no direction? Is that what you’re saying here?

Mr Davies: No. What I said, sir, was that no decisions have been taken with specific reference to staffing levels at the Ministry of Transportation.

Mr Bisson: But the question is not about the decisions. I’m asking, has the government given you direction? Has the government gone to you, your minister, and said, “As the deputy minister, this is what we want as a government; you come back and tell me what some of the best options are for getting there”? Have you been given any directions about where to go with staffing levels?

Mr Davies: As you know, the announcement that was made by the Finance minister and by the minister responsible for Management Board is that each of the ministries outside of the protected envelopes has been asked to look at scenarios that would involve expenditure cuts of up to 30% over the next 24 months.

1020

Mr Bisson: Now we’re getting somewhere.

Mr Davies: Ministries are therefore in the process of submitting business plans associated with that, and the government will be making decisions in due course.

Mr Bisson: Okay. Now, because I’ve only got about three minutes—

Mr Davies: But at the moment those business plans are covered under advice to cabinet, and no civil servant in this room will be asked to break their oath of office.

Mr Bisson: I ain’t asking you to break your oath of office. What I’m asking you is—I’m asking you to break your oath of office. No, no. In all seriousness, I thought you were saying to my colleague that the government had

given you no direction. I thought for a government that prides itself as being a commonsense government, how can you run an entity as large as the Ministry of Transportation and give it no direction? It made no sense, so therefore the assumption had to be made: You’ve been given directions.

We know what those effects are according to the budget statement announced by the minister last fall. I’m asking—not specifically; I don’t need to know the specifics at this point in terms of how much money—have you been given direction about what further cuts you can expect in your global envelope for next year and the year after in addition to what was announced in November?

Mr Davies: The general direction, as I indicated, has been a request to each of the ministries outside the protected envelopes to look at scenarios associated with business plans for cuts.

Mr Bisson: I’ve only got two minutes and you’re doing a good job of killing the clock here. The question I’m asking is, have you been given direction of going above and beyond what was announced in the budget statement of last fall? That’s what I’m asking. You don’t have to tell me \$2 billion, \$1 billion. I just want to know, have you been told a ballpark figure or an idea of what to expect in the upcoming cuts to be announced this spring?

Mr Davies: The request is to look at scenarios at approximately 30% in terms of the expenditures, but it’s the bottom line that counts.

Mr Bisson: That’s in addition to what was announced in November?

Mr Davies: The November announcements are part of our 30%. In other words, decisions have been taken in some areas associated with the transfer to municipal transit authorities.

Mr Bisson: I understand. You’re a professional civil servant, and I have a lot of respect for you because I’ve worked with you before and know you to be of high standard and quality. The question I have is simply this: You know as well as I do that all kinds of communities out there—Timmins being one of them, the one I represent—are really wondering what’s going to happen with their roads budget when the second shoe drops. Has the government given you an indication that the second shoe’s going to drop at one point?

Mr Davies: In fact, decisions have been taken with respect to two major components of the Ministry of Transportation budget and were announced in November. Those decisions are with respect to the amount of funding that’s available for municipal transit, in other words, two annual 12% cuts—

Mr Bisson: Make a leap here. Spring.

Mr Davies: Then, with respect to the roads fund that used to be in the Ministry of Transportation, as you know, it’s been rolled into the municipal support program at the request of municipalities. They wanted more flexibility. They understood there was less money available. That figure has also been announced by the government so that the town of Timmins at least knows how much it is getting next year.

Mr Bisson: It's a city. It's called a city.

Mr Davies: I'm sorry. The great city of Timmins is also aware of what the overall target is for the municipal support program for year two.

The Chair: Thank you, deputy. The Conservatives for 20 minutes.

Mr Preston: Two fast comments. Every minister we've had here has been blamed for deaths on the streets of Toronto, and I want to put it on the record again for this particular ministry that I think it's despicable, I think it's dishonest and I think it's cruel for the opposition parties to be doing this.

Mr Bisson: Doing what?

Mr Pouliot: Dishonest?

Mr Preston: I didn't say you lied; I said you were dishonest. That's different. I'm talking about the people dying on the streets of Toronto. Every ministry has been blamed.

On the weekend a new hostel was opened up. Street people call it the Hilton because of the amenities. The beds are not full. On my way to Queen's Park this morning, I saw a gentleman sleeping in the middle of the boulevard on University Avenue, five blocks from the Hilton hostel—in their words. We are not forcing these people to sleep on the streets and die on the streets.

Mr Bisson: Of course not.

Mr Preston: Of course not. Thank you.

The Chair: This is all in regard to Transportation?

Mr Preston: The other day, the Transportation minister was blamed for people dying on the streets. I don't know why it was Transportation, but they did it.

Mr Pouliot: Check the record.

Mr Preston: Do check the record.

Mr Bisson: Mr Chair, just on a point of privilege and just to clarify.

Mr Preston: Don't take this out of my time.

The Chair: Quickly, quickly.

Mr Bisson: He's mixing two issues. We talked about northern highways, people dying on the highways. The streets was Tsubouchi. It was two different ministers.

The Chair: Proceed. You have a short time, Mr Preston.

Mr Preston: The other thing is that they're talking continuously about jobs being cut. We have Mr Rae on television saying that the public sector is not sustainable. Their former leader, the former Premier, said that he's known for four years it's not sustainable. That is their former party leader's observation. How do we make it sustainable unless we start making savings?

Mr Bisson: That's not the issue. We agree.

Mr Preston: Thank you.

Mr Bisson: It's a question of priorities. Take the plows off the northern highways, we start scratching our heads as we're sliding into the ditch.

Mr Preston: It's not your turn. Mr Chair?

The Chair: Mr Bisson, it's the Conservatives' turn. You were not interrupted when you were you were speaking. Order.

Mr Toby Barrett (Norfolk): I want to introduce a concept for discussion or feedback from some of the staff here perhaps, the concept of an Ontario turnpike across southern Ontario, a toll road. Yesterday there was brief

mention of the TransFocus highway planning study. It was an area, as I recall, covering Brant, Haldimand, Norfolk, Niagara, Hamilton-Wentworth. As I recall the assumption of the study, any new highways planned to be built would be built with taxpayers' money and motorists would use these roads for nothing.

I would ask us to visualize that area of the study that I described and perhaps expand the circle to include New York state, Pennsylvania, Ohio, Michigan and the rest of Ontario. When you look at that part of North America, for example, if you took a look at one of the North American maps that have all the turnpikes and throughways on them, you'll see a couple of big gaps in that area. One gap is central Pennsylvania because of the mountains, and those mountains aren't going to move for a few million years. But when you're thinking of going from Michigan to New York, another gap is Ontario, and obviously Ontario's not going to be—

Mr Bisson: We don't want to take Ontario out of the way, do we?

Mr Barrett: Obviously Ontario's not going to be part of the United States for a million years. It never will be. Political boundaries, but the reality is that if you're coming through Michigan, the Detroit area, the equivalent of half the population of Ontario is in the Detroit area. To go across to New York state, by and large, Americans and truck traffic, for example, and tourist traffic, would go south of Lake Erie. There's a very good highway system just south of Lake Erie. I'm not suggesting it's a narrow Khyber Pass or anything, but so much of that transportation route in North America is funnelled through that one narrow bridge.

The proposal that's been kicked around—and it's been kicked around for many, many years; it keeps surfacing—is the concept of what's called lately an Ontario turnpike to fill this gap, essentially a US-style toll road, turnpike. The most recent proposal I have seen would run this turnpike on the soon-to-be-abandoned CN railway line that runs north of Lake Erie.

Back in the 1830s and through to the 1850s, a number of Canadian and American railways were built across this kind of southern Ontario land bridge. One thing railways know is that the shortest distance between two points is straight across.

1030

We have very clearly, an economic situation now where tractor-trailers are replacing railways. I'm suggesting that there may be some economic reasons for again taking a look at that kind of route for the movement of goods, and in this case, as I understand it, the CN right of way will be coming available. It runs basically from St Thomas down through to the Fort Erie area. I'm not sure what's going to happen to it. Maybe it will become a bicycle trail, but I'm suggesting there could be other uses for it. I feel government should maybe take a look at this and at least ensure that we have control of this right of way for any future use.

I mentioned that the idea of this toll road is not new. It was first proposed in November 1938, in the era of Premier Mitchell Hepburn. Previously in these discussions, I mentioned the perceived problem, perhaps opportunity, of large numbers of US trucks using our high-

ways—they don't pay tolls; they don't travel on toll roads when they go across Ontario—and I mentioned the tourist traffic that moves between these two large states.

The proposal lies on private sector funding. Government doesn't build this road; taxpayers don't build this road. Government would have to provide the right for, say, a consortium of business people to collect a toll and the right to expropriate ground the width of this CN right of way. As with the old Highway 3, which runs through my riding, Mr Preston's riding, Mr Sheehan's riding, when it was built back in the 1920s a bond issue was raised and it was heavily advertised at the time as a tourist route between New York state and Michigan.

Legislation, as I understand, already exists in Ontario to allow toll roads, for example, with Highway 407. The difference there is that taxpayers built the road. It's projected that with this proposed turnpike, as many as 20,000 jobs will be created during the construction phase and then of course permanent jobs after that. Another perceived advantage is that it will take pressure off the existing 400 series, the QEW down to the Niagara fruit lands. I personally felt we made a bit of a mistake way back when we ran that four-lane highway down through our unique fruit belt down below the escarpment. I feel it's unfortunate, from an agricultural perspective, that it wasn't run north of the escarpment, and I'm concerned about some of the expansion and money that's going into that existing route below the escarpment.

Another more local concern, and I've mentioned this earlier in these committee meetings, is Highway 3 itself, built as a provincial highway in the 1920s. By and large now it's in many ways not much more than a rural road. It's not able to handle the pressure of traffic, the problems with getting new access to this particular route. The feeling, locally anyway, is that it's impeding economic development in our area because business and expansion cannot take place along here.

There's a lot more detail on this proposal. I'm more interested in the feasibility of taking perhaps a quantum leap to consider in a much more rigorous way the concept of private money building highways in Ontario and private money collecting the tolls. Of course we as a government would control the highways, police the highways; we'd just need to pass over the rights to expropriate and collect tolls. Any comments on that, sir?

Mr Davies: I'm going to ask David Guscott to provide some detail in terms of what TransFocus looked at and what is suggested be protected in the area; and also to provide some detail on our approach to protecting corridors that are up for abandonment by the railway to be used for either recreation or transportation purposes in the future, because we would be most anxious if we were to lose a future transportation corridor. Once it's gone, it's gone forever.

The concept of toll roads and having users finance those toll roads through tolls is one that, as you mentioned, is not new to Ontario's experience. It's certainly new to this generation's experience, but up until the early 1920s we did have toll roads in this province and much of the development of highways in this province in the latter part of the 19th century was financed by private capital.

Highway 407 is our first modern-day experience with toll roads in this province. I think we have to remind ourselves that it is being built next to the Western world's busiest freeway, so there is the ability we've identified through the traffic forecasting we've done, the traffic forecasting we've had certified by the foremost traffic forecaster in North America, to be able to support the cost of Highway 407 through the traffic that will be diverted from 401 and diverted from other highways and roads through the northern part of Toronto—and generated because the highway will be there. This is an example of, "If you build it, they will come" as well. That may very well be part of what the proposal for the turnpike could accomplish.

But let's bear in mind that the kind of traffic loadings we're talking about for 407 will be immense compared to the traffic loadings that in the early stages at least may come with a new turnpike between Michigan and New York state through Ontario.

Mr David Guscott: David Guscott, ADM, policy and planning. In response to Mr Barrett's question, the TransFocus 2021 study did look at the infrastructure needs for all modes of transportation in the Niagara, Hamilton-Wentworth, Haldimand-Norfolk area and identified some critical needs that are now and in the near future going to obstruct the economic development of this province, most particularly that related to bridge crossings. Within the next 15 years we are going to need to upgrade and improve the crossings between the United States, New York state in particular, and Ontario. Steps are under way by those bridge authorities that will, we believe, lead to resolution of that problem.

You did mention the dilemma of the QEW being built north of the escarpment, therefore on the tender fruit soils. We did do extensive modelling around that dilemma. We don't feel that the opportunities for widening beyond the current plans are there. Therefore, we need to look at alternatives. A mid-peninsula highway, be it through Welland-Fort Erie and on the right of way you're talking about or somewhere else, was modelled in this study. It didn't show the need for that highway within 20 years, but you're quite right that it made an assumption around the fact that the timing would be partially based on who was going to pay for it. As governments have to prioritize their expenditures, the opportunity presented by a private sector toll road is one that we would certainly not want to disregard or give anything other than a full consideration of, because it does offer the benefits you mentioned, Mr Barrett, in terms of relieving wear and tear on the provincial infrastructure as well.

For that reason, we have been in discussion up until 1994 with people, especially one individual who's been promoting the Ontario turnpike. Unfortunately, he passed away and we have not had further contact with that group since that time. However, we think there are very positive possibilities with respect to private toll roads.

We have now, for example, legislation in Ontario which permits tolls to be collected for highways as long as certain requirements are met. Most particularly, they can only be applied to new highways or the extension of

existing highways, and the Ontario turnpike proposal would meet that requirement.

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The second requirement is that the tolls have to be removed when the debt for the highway is completed, and that may or may not be a problem for the Ontario turnpike. Generally, highways are funded on the basis of 35 years or more, so they may well make the return they're looking for in that period of time.

We now have the mechanism that can see that eventually happen. What we have not yet seen, and I don't know whether the Ontario turnpike people have done it, is the kind of business analysis that needs to be done of the type the deputy minister mentioned. We know from doing 407 the importance of a very rigorous—not a promotional base but a very conservative approach to what the revenues can be from such a highway, because that's what backers need to take to financiers and lenders to find the money to build such a project. At least to the extent of our discussions up to 1994, that had not yet been done on this highway, although we encouraged them to do it. We told them who we involved in our evaluation for 407 and suggested that we thought that was a critical piece of their business plan that needed to be pursued.

The deputy minister mentioned the railway abandonment process. There are changes coming in federal legislation this spring which will speed up and accelerate that abandonment process, the intent being to keep the railways more viable, especially in eastern Canada. We believe this will lead to further abandonments in the system, especially of redundant areas. The Ontario turnpike people may have to be positioned quickly to move on some initiatives in that area.

They do have the dilemma that the railway right of way you're talking about goes right through the centre of a great many communities in central and southwestern Ontario and—

Mr Barrett: So does the highway. That's the other problem.

Mr Guscott: Exactly, and the question of whether they can stay on the railway right of way and meet the needs of those communities would have to be worked out without a lot of bypassing, and I don't know whether they could or not.

The Chair: I have to stop you there, Mr Guscott. The time is up. We're in 20-minute rotation. Mr Colle.

Mr Mike Colle (Oakwood): Thank you, Mr Chairman. In terms of the photo-radar that was installed, was there a final wrapup of the income that came in from photo-radar?

Mr Rudi Wycliffe: Rudi Wycliffe, acting assistant deputy minister, safety and regulation. I apologize in response to the member's question that I don't have available before me at this time an answer to your question about the income from photo-radar.

Mr Colle: When was it terminated? I'm just trying to remember. June 8?

Mr Wycliffe: July 5, 1995.

Mr Colle: Would it be the Ministry of Transportation that would have that kind of data or Finance? I'm not sure who I would get it from.

Mr Wycliffe: As I understand it, the revenue would come from paid fines that arose from photo-radar, violations detected during that project. Those revenues do not go to the Ministry of Transportation. They are collected through the court system through the Ministry of the Attorney General, and the revenues would be payable to the Treasurer of Ontario and collected through the Ministry of Finance.

Mr Colle: Okay. Therefore, I'd have to ask the Ministry of Finance if they ever did a wrapup. Would you know whether you have that? Would that have flowed back to Transportation?

Mr Wycliffe: All I can tell you at this point in time, Mr Colle, is that I don't have that information in front of me. I can certainly go back and check to see whether that information is available to the Ministry of Transportation.

Mr Colle: I guess what you've have to do is, you'd have to add up all the revenues and fines and the successful collection of fines, basically.

Mr Wycliffe: As I understand it, it would relate back to all the individual courts to which those fines were paid and the actual collection and fines outstanding that would be arising from the period of time that the photo-radar was in operation and the tickets were sent out and fines collected. So the process would relate to the number of actual charges issued, the number paid, the number outstanding and so on. It's a fairly complicated process but I'm sure that information can be made available.

Mr Colle: I'll have to put it in writing, but if I could mention here too, I would like to have that made available at one point in time because it seems we're going to be asked to look at different versions of it. I know the laser gun and other versions of detection seem to be very much in discussion. I'll ask for that formally later on to get that.

I know there was a study that was going on in terms of photo-radar, a six-month study that was taking place in terms of photo-radar's impact on road safety. Has that study been completed?

Mr Wycliffe: One of the initiatives of the photo-radar pilot project was to do exactly what you said, Mr Colle: to evaluate the effectiveness of photo-radar, to look at it in terms of its impact on highway safety. Because of the short period of time that photo-radar was in place and the limitations on the data from collecting it over a short of period, I'm not aware that any conclusive study has been completed or that enough data was received in order to draw those conclusions. I don't have that information before me at this point in time.

Mr Colle: When was the photo-radar introduced?

Mr Wycliffe: I will have to go from memory, Mr Colle, but I believe it was some time in 1994. I stand to be corrected on that.

Mr Colle: I can get that information possibly later on today.

Mr Wycliffe: Yes.

Mr Colle: So the ministry has not looked even at any partial evaluation of the impact of photo-radar on safety? Did the ministry ever comment? When the decision was made by the Premier to get rid of photo-radar, did he ask for any comment on photo-radar's impact on safety or road safety? Did you ever submit any kind of analysis back to him when he made that decision?

Mr Wycliffe: What the Ministry of Transportation was directed to do in June 1995 was to work with the Ministry of the Attorney General and the Ministry of the Solicitor General to develop alternate effective measures to deal with highway speed and aggressive driving issues which were of concern to the government. As a result of that, the three ministers presented to cabinet and announced in October 1995 a comprehensive road safety plan that included a strategy for dealing with both speeding and aggressive driving on the highways of Ontario. That plan included a dedicated enforcement by the Ontario Provincial Police and also some of the truck safety initiatives that we've been talking about today.

Mr Colle: I'm well aware of those announcements. They seem to come out every week. When the decision was being made or just before it was made of getting rid of photo-radar, they must have asked the Ministry of Transportation for, let's say, its analysis about photo-radar and its impact on safety. There must have been some kind of data given to the Premier's office before he made that decision, or into that supposedly tripartite ministerial group that was set up. There must have been a report submitted. Road safety is under the purview of the Ministry of Transportation, is it not?

Mr Wycliffe: Road safety is arguably a shared responsibility among a number of ministries and a number of jurisdictions. The Ministry of Transportation takes a role because of its mandate in highway construction and maintenance and in the regulation relating to drivers and vehicles on the highways. We rely very heavily on the Ministry of the Attorney General because of their obligations under the court system and on the Ministry of the Solicitor General and their mandate for the policing in Ontario as very key partners in the road safety management issues.

1050

Mr Colle: But you're obviously one of the leading players in road safety, I hope. Let's not say it's the Attorney General who's going to be supervising safety on Highway 401 or Highway 3. The lead player is the Ministry of Transportation.

Mr Wycliffe: We pride ourselves in being leaders in the road safety business, Mr Colle. That's correct.

Mr Colle: I hope you are the leader, the lead. You must be the lead.

Mr Pouliot: Of course they are.

Mr Colle: Who is the lead player in road safety? Is it the Attorney General?

Mr Wycliffe: I would suggest that the three different players I've talked about have different things to offer at the table. We lead in the area of highway construction and highway design, in terms of dealing with drivers, both in terms of—

Mr Colle: Driver training.

Mr Wycliffe: Driver certification, dealing with drivers who have problems obeying the law, dealing with vehicle registration, safety standards—

Mr Colle: Safety enhancement on our highways.

Mr Wycliffe: Exactly. That's right. But we don't, for example, consider ourselves the experts in terms of policing or the judicial process.

Mr Colle: No, I'm talking about safety. I said I hope you see yourselves as the leader in safety.

I just want to get on to that in saying so there was no formal submission made, then, because you don't know what the financial returns were on photo-radar. Obviously, if you haven't seen it, nobody else in the ministry's probably seen it. Secondly, you don't know of any report that was submitted to the Premier as part of an evaluation of the impact as far as the Ministry of Transportation is concerned and photo-radar?

Mr Wycliffe: All I can recall, Mr Colle, is that there was, during the photo-radar pilot project, some media coverage of the number of detected instances of speeding, the charges laid and some of the revenues that were derived from that.

Mr Colle: I'm not talking about the media. I'm talking about a report, an analysis, a breakdown, an evaluation done by your ministry. There seems to have been none.

Mr Wycliffe: I am just being advised as you are questioning me, Mr Colle, that we are not aware that any report has been put together. I want to emphasize the point I made before, that because of the short period of time that photo-radar was in place, the research experts and the Ministry of Transportation felt that it was insufficient time to develop enough data to draw any firm conclusions on the effectiveness of photo-radar.

Mr Colle: I thought it was to have been done over a six-month period, that they were supposed to evaluate it as it was put in as a pilot project.

Mr Pouliot: Yes, that's right.

Mr Colle: I just want to move on to another subject here. I was just asked a question from one of my northern members in terms of the safety partnership program. I wonder, what is the progress on that? What's happening with that program? I think it's called the road safety partnership program. Was the corporate sector being involved in enhancing road safety?

Mr Wycliffe: Mr Colle, I apologize for the delay.

Mr Colle: No problem.

Mr Wycliffe: I'm looking for some information on that. Just for my clarification, if that's appropriate, the program you are referring to was the partnership that the Ministry of Transportation initiated a year or so ago, under the former government, dealing with corporate sponsors supporting us in communicating the road safety message to the drivers and the public of Ontario? Is that the program you're referring to?

Mr Colle: Yes.

Mr Wycliffe: I'm looking around for my staff member to give me an update on it. I know the program was in place; I can't tell you its status at this immediate time.

Mr Colle: That it hasn't been cut out, or it's still there—that's what I'm concerned about.

Mr Wycliffe: I'm advised that the program that was put in place is still under way, and we are still getting marketing cooperation from our corporate partners that we engaged with a year or so ago.

Mr Colle: Specifically, in one of the smaller communities, there's interest in whether Canadian Tire has come on board as a partner.

Mr Wycliffe: Yes. The two partners that the Ministry of Transportation had come to agreement with were, as

you have identified, Canadian Tire, and the other was Bell Mobility.

Mr Colle: I'll pass that on. Thank you.

Just one more comment about safety. I recently had the displeasure of driving back from Ottawa, and I had a bit of car trouble with my transmission. I couldn't go over maybe—I was doing 100 km/h. From Highway 37 near Tweed—the wonderful city of Tweed, where Elvis is living, the Land o' Lakes, a beautiful area—I went off the 37 on to the 401. From Tweed—excuse me. From about Sterling all the way almost to the Scarborough border, I was passed by every car and truck on the road.

Mr Bisson: And you were going how fast?

Mr Colle: I was going maybe 90 km/h, 100 km/h.

Mr Bisson: Within the speed limit, then.

Mr Colle: The speed limit is 100 km/h. That was sort of a test case. Nobody is doing the speed limit. The question I have is, does that concern the Ministry of Transportation? How do you deal with this problem? I don't know how many cars might have passed me, maybe 15,000 cars. I was the only one, and some old, broken-down Lada on the side of the road, that was not doing 100 km/h.

Mr Pouliot: It could have been any car.

Mr Colle: No, it was a red Lada. I remember it.

Mr Wycliffe: First of all, I would commend you for adhering to the speed limits posted on Ontario highways. I think that is very important.

Mr Colle: It wasn't by choice.

Mr Wycliffe: I would hate to think what that implies, sir. I want to re-emphasize that the direction given the Ministry of Transportation, the Ministry of the Attorney General and the Ministry of the Solicitor General in June 1995 was to develop a comprehensive road safety plan that focused on the major issues that are threats to highway safety in Ontario, and certainly the area of driving behaviours was first and foremost in that direction. Focusing on speeding and aggressive driving, things like tailgating, weaving, that sort of thing, were the biggest concern. As a result of that, working with our two partner ministries, as I've mentioned, recommendations were put forward for the formation of specialized regional traffic teams by the Ontario Provincial Police.

Mr Colle: Again you're telling me all the things are in place, but I go according to what I see and feel. I was on the highway. Everybody—I'm not saying just one or two speeding vehicles. It seems that 99.9% of the motorists on the 401 exceed the speed limit. They're not getting the message. Or is the speed limit too low? What has to be done to get people to basically drive at the speed? Nobody seems to be paying attention to the road signs. Why have them up if nobody obeys them?

1100

Mrs Lillian Ross (Hamilton West): Can I just ask a question here? Isn't this really the Solicitor General's area rather than Transportation when we're talking about speed?

Mr Colle: Let's not pass the buck. Come on, it's Transportation.

The Chair: Mr Colle is on. Let him continue, just for two more minutes.

Mr Colle: I know it's a tough question, but someone's got to answer it.

Mr Wycliffe: It is indeed a tough question, Mr Colle, and I think the solution is even tougher. We're talking about a behavioural practice by the drivers who use our highways. You've specifically referred to Highway 401, which is the busiest, most significant corridor in Ontario, both in terms of commerce and the movement of individual people in their private cars. Certainly, the issue of highway safety and the relation of speed to highway safety has been a very public one over the last couple of years. The media have formed some very strong opinions on both sides, as you well know, and I think just about everybody, including the people in this room, probably has an opinion—

Mr Colle: Okay, Mr Wycliffe, I'll tell you another thing about—

The Chair: Tell him in about half a minute.

Mr Colle: Ms Ross was trying to help you out there with the Attorney General, passing the buck to them, and I think they bear some of the responsibility. I'll tell you another thing: I didn't see one OPP officer, not one vehicle. With the cutbacks to the OPP, with nobody adhering to the speed limits, what is the answer you can give us that might at least say, "Hey, we recognize there's a serious problem here and we're going to work towards it"? What I see so far is basically no one adhering to the rules of the road, and that's what concerns me most. They're not getting the message. At least with photo-radar I thought, according to anecdotal information, they were slowing down. That's why I asked you for that information. It seemed to be working.

The Chair: Thank you very much, Mr Colle. It goes to the NDP.

Mr Pouliot: Rudi, I appreciate and as always I need your help. You will forgive me if I sense that you were a little—it's only my opinion and I'm so often wrong—tentative. When it comes to highway safety, and I sat five years in cabinet, if you mention highway, if you mention highway road safety, immediately all your colleagues—and you don't enter on anybody else's turf; it's very dangerous if you wish to last there. You're the lead. If it comes to the graduated driver's licence, you're the lead. If it comes to photo-radar, you have to sponsor those bills. You have to speak at regulations. When it comes to highway standards, when it comes to posting of speed limits, people will address it to you.

Of course, there is a relationship with both the Solicitor General's office and the Attorney General. The Attorney General makes the laws—it's a deterrent, it's the ministry of deterrence—and the foot-soldiers are to be found with the Solicitor General. But not in terms of knowledge because inevitably when you talk about road safety, you talk about the Ministry of Transportation and I think we've all shared in those proud moments.

You don't come up with photo-radar overnight. You go to Alberta where it's been in place for some years; you go to the southern states; you ask people in Europe who have gone through the photo-radar exercise and you get their database. And it's not much of a surprise. People are people. We're creatures of habit.

Photo-radar was instituted because the resources were dwindling and the government thought—yes, there was a

revenue aspect to it—that it could do the same job with advanced technology and could take those resources, women and men in blue, and put them someplace else. Radar has been in place for a number of years; it's not a new phenomenon. That's the way business will be conducted, whether we like it or not. It's the envelope of technology. Ever more efficient is the way to do business. Photo-radar, from its institution, and I could be wrong, I think in the first six months yielded something like \$17 million.

I'm not going to get into the political commitment; that would embarrass you and I know you have little latitude as a professional, and I can appreciate that. But I can say from our point of view, and I'm not saying that we were better or worse, suffice it that once you remove something, sometimes you're hard pressed to find the alternative and you call it something else. It's called spinning. Politicians excel at that, for they have to stay alive and they do rather well there.

I could go on in terms of the safety initiative, but I won't bore you. They're all catalogued. Suffice it that inevitably it's the responsibility of the ministry and the Minister of Transportation. There's no denying it. If you meet with GO Transit, the parallel system, the alternative, they don't meet with other ministries on a monthly basis. With Mr Hobbs and Mr Smith, it's like a pilgrimage. Every month we meet, and we look forward to it, and we share data, because you have to bring those data back to cabinet.

You read answers. The questions from the opposition when it comes to roads are directed almost in their entirety—if I was to take off my jacket, I could show you the scars. I'm still black and blue from photo-radar. They called me "Polaroid" and everything else. It hurt, it cuts very deep, because every morning I used to get up and look in the mirror, and I said, "Photo-radar is a safety initiative, it is a safety initiative."

Mr Colle: That was your mantra.

Mr Pouliot: Go and ask the man, Floyd. Well, the mirror did not pause before reflecting. That's all I have to say. My colleague will wish to pursue a line of questioning that was started this morning vis-à-vis people who are about to lose their livelihood.

Mr Bisson: Is the deputy minister not available?

Mr Carl Vervoort: The deputy has indicated to me that he expects to be away for about 15 minutes.

Mr Bisson: Just long enough for me not to ask my question. How convenient. It's kind of hard to ask this question to you, because he's the top civil servant and it makes some sense to ask the questions to him or to the minister, who is not available.

The Chair: Maybe you could try.

Mr Bisson: No, I'm going to pursue something a little bit different. We may have a chance to come back at it a little bit later.

Yesterday in an exchange with the minister, the minister told this committee, our party and the Liberal Party as well, that he plans as much as possible on retiring from—let me take that the other way. He plans on adopting a policy that would favour the private sector in the delivery of services when it comes to transportation in this province. His words are basically that the private

sector can do it better than the public sector; that's the basis of his discussion. Therefore the ideology of the government is that everything that is presently now within the public sector that can be humanly put into the private sector, he will move on that.

I asked him a question, and I guess I'd be interested in hearing from you on this simple question. Our country and this province, in a history of over 128 years, have understood that the government has to play a role because of the size of our market, and if we're going to develop systems of transportation that are necessary to support the infrastructure of our private sector and public sector to our citizens, if we strictly threw it into the hands of the private sector, many communities in this province and in this country would not be serviced by everything from airplane service to trains to even a good system of highway transportation.

The simple question I have for you is, do you believe, as a civil servant, that the government, being us, the people, through our institution of government, has a responsibility and a role to play when it comes to public transportation?

Mr Vervoort: First let me clarify that as a public servant, it's my duty to implement the policies of the government—

Mr Bisson: I understand that.

Mr Vervoort: —and to provide advice to the government to the best of my capability on the options they wish us to investigate and advise them on.

Having said that, it is clear that there is an ongoing role for the Ministry of Transportation in transportation, and that role will continue to be refined, as it has been refined over the last 80 years of our history as a ministry. I expect that the future holds that we will continue to have a presence, particularly in the areas of continuing to establish long-term directions—

Mr Bisson: But that's not so much my question.

Mr Vervoort: —policies and standards.

1110

Mr Bisson: The question I ask you is simply this, that public policy in this province, in this country, for years has been that the people through their governments have a role to play when it comes to providing a system of transportation that supports both our economic and our social needs. The question I have is, do you believe that policy is still the policy we should be following?

Mr Vervoort: I believe there is a role for the public service in setting the directions and advising the government on the future directions of transportation in the province of Ontario, yes.

Mr Bisson: No, that's not the question. The question is, do you believe that as a matter of public policy, there is still a role for the people through their government to play in providing a system of transportation to support both their economic and their social activities?

Mr Vervoort: Yes, there is a role to play.

Mr Bisson: That's all I wanted to know.

Mrs Ross: Can I make a point of order here, Mr Chair: The opposition was aware that the minister was not going to be here this morning, and they had ample opportunity to ask about policy. I just think it's unfair to put staff—

The Chair: Ms Ross, I indicated to the minister that he should have the parliamentary assistant here and he did not make that provision, but again I agree with you that there are political questions that could be asked, and if the civil servants refuse to answer it, I can live with that, but again I did give him an opportunity to have the parliamentary assistant here. May you proceed, Mr Bisson.

Mr Bisson: I appreciate where the government member is coming from. However—

Interjections.

The Chair: Order.

Mr Bisson: I just asked a simple question as to public policy and that's as simple as that.

Moving on a little further north, up Highway 11 specifically, I don't know if it's you who can answer this or somebody else who knows something about highway maintenance in northern Ontario, but I would be curious as to, has the ministry started to collect any information in regard to the number of highway accidents we've seen on Highway 11, as an example, or other highways in northern Ontario for this year?

I take it you do that in coordination with the Solicitor General's office, through the OPP, but do you have those stats?

Mr Ian Oliver: We are constantly gathering that information, both the OPP information and the information we gather directly.

Mr Bisson: Could you provide the committee with the stats for the number of accidents and mishaps that have happened on—I would be interested in Highway 11 specifically, from basically Toronto all the way up to Kapuskasing, Hearst, Timmins, up on to Highway 101.

Mr Oliver: That analysis could be carried out. I don't obviously have that information with me at this time.

Mr Bisson: Okay, that's fair.

Mr Oliver: But I am sure that type of analysis could be carried out and could be provided at a later date.

Mr Bisson: Just to put it on record for Hansard, I would like to put the ministry on notice that what I am looking for specifically would be stats for this winter by month, the number of accidents and mishaps that have happened on northern highways, and also to provide us with the comparison for the last couple of years, if you have it, the winter of 1994 and the winter of 1993, just as an example, because we need some comparison with that.

Mr Oliver: We will be most interested in that ourselves, of course.

Mr Bisson: On to another issue, I had requested—now this again, I don't know, I can't ask questions to the political staff of the minister, but I had asked a question yesterday and the day before to provide me with information in regard to Air Oshawa. I would just—I see somebody coming forward. Can you please identify yourself for the committee?

Mr Guscott: David Guscott, ADM, policy and planning.

Mr Bisson: You have some information?

Mr Guscott: You asked about two issues, Air Oshawa, and then yesterday, I believe, some questions about the improvements at Oshawa airport.

I believe your question on Air Oshawa was quite specifically, had the ministry or the minister received any correspondence with respect to Air Oshawa. The answer is no, we've completed a check of all correspondence and nothing has come in on our records related to that.

Mr Bisson: Just on that, before you go to the next one, just so you know where I'm coming from, I understood there was some activity by Air Oshawa and there was some agreement by the government to do some form of partnership with Air Oshawa. Just so you know where I'm coming from, norOntair is shutting down because of a loss of \$5 million in revenue from the provincial government, so I was just wondering, how can we do one without the other? That's where that was coming from.

Mr Guscott: Let me tell you that there is no correspondence in. It would be unlikely that we would get correspondence in fact on a particular airline because we don't subsidize any airlines through MTO at all.

Mr Bisson: I recognize that.

Mr Guscott: We have no program. I understand what you're saying too.

Mr Bisson: I recognize there's no funding, but what I'm saying is that if I was a Minister of Transportation and there was somebody out there trying to move forward with some sort of request for partnership, that would be one of the people I would go and see, knowing that that's not where the money will come from; it would come from special warrant through the cabinet normally in a case like that, or MITT.

Mr Guscott: Fair enough, but as I said before, we're not involved in and have no programs for subsidizing airlines, with the exception of what MNDM did.

Mr Bisson: So no requests have come forward?

Mr Guscott: No requests have come in.

Mr Bisson: The other issue.

Mr Guscott: With respect to Oshawa Airport, Oshawa Airport is a federally owned airport. It was not eligible for any capital improvement funds from the Ontario government until the Canada-Ontario strategic transportation initiatives program was signed in 1994. At that time, we entered into an agreement with the federal government to conduct some improvements, and those improvements related to runway extensions, the construction of taxiways and aprons and a new terminal complex at Oshawa Airport. That was done under that particular program, as were upgrades to many airports in northern Ontario and southern Ontario through that particular program. Those improvements were in the range of \$6 million, cost-shared federally and provincially. I believe the work's been completed at this time. They were done in an effort to improve—

Mr Bisson: Could I ask you for a favour? Could you provide me with an answer to both of those things in writing?

Mr Guscott: Certainly.

Mr Bisson: I would appreciate it. Now I have another question, because my time is going very quickly here, on the question of—where am I here? There was another issue.

The Chair: You have five minutes anyhow.

Mr Bisson: Thank you very much. Oh, yes. In regard to the drivers' licensing bureaus, I don't know who is it

who can come and talk to us about that. I'm speaking specifically of offices that are run by the Ministry of Transportation for the purpose of issuing drivers' licences. A real simple question. A number of people have come to me in Timmins, a few people in Iroquois Falls, about rumours that the services that are presently being provided by ministry staff to issue licences are being discussed somewhere within the ministry of throwing that into the private sector. I wonder if you can enlighten us on that.

Mr Wycliffe: Certainly, Mr Bisson. At the present time, a substantial portion of the services that the Ministry of Transportation provides to the public in terms of driver licensing and vehicle registration is conducted through what we call the issuer's network. I believe it's in excess of 200 private issuers across the province, including the city of Timmins.

Mr Bisson: Yes, we have the chamber of commerce that runs one.

Mr Wycliffe: I have been in that office and they provide a number of services in terms of licence and registration—

Mr Bisson: I'm going to push you a little bit quicker for the answer because I've got two more questions to go and I've only got a couple of minutes. Are you looking at expanding the role that the private issuers do in the question of issuing licences and diminishing the role of Ministry of Transportation offices doing the same job? That's basically the question.

Mr Wycliffe: I'm sorry. Are we looking at expanding the role of the licence—

Mr Bisson: The private issuers, yes.

Mr Wycliffe: We are certainly looking all the time at the best way of delivering the services most conveniently to the public. If that answers your question, the answer is yes, we are looking at that.

Mr Bisson: The other one I've heard is the engineering departments. There are actually quite a few people who work in engineering of our highways, bridges etc etc within the Ministry of Transportation and, again, I've been contacted by a number of concerned civil servants about the question of doing a lot of that work—not all of it, but certainly a greater portion of that work—through private tender and through private contracts. Is that something the ministry is actually pursuing?

Mr Vervoort: Perhaps I can respond to that.

Mr Bisson: You're the engineering guy. I remember you. You never gave me that goldarned railing on that highway I was looking for, by the way.

Mr Vervoort: Pardon me?

Mr Bisson: Never mind. I'll talk to you about it later. It's still a problem.

Mr Vervoort: The ministry presently in fact acquires the majority of its services for design and construction of highways from the private sector. In fact, as you may be aware, 100% of our construction is privatized, outsourced, and historically our levels of consultant acquisitions have been between 30% and 50%.

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Mr Bisson: Again, let me just push you quickly, because I think I've only got two minutes. Specifically what I'm looking for is, there is a rumour that the people

who supervise the construction, presently done by ministry staff—one of the questions is that there's talk about putting that over to the private sector and, second of all, a lot of the engineering work that is done is done in-house by the Ministry of Transportation, and there is talk about diminishing the role for the government, ministry employees in that vein.

Mr Vervoort: One of the key directions that we are pursuing is to be able to move more of our money to the bottom line, and that clearly implies that the amounts of money going into pre-contract engineering and construction supervision activities, relative to the amount of money that actually finds itself into the pavement, should be reduced. So we are looking at ways to reduce the cost of both those areas: contract administration and pre-contract engineering.

In contract administration, we're looking for a longer-term shift, as the minister indicated in his opening remarks, to place greater onus and obligation on the contractors to do their own quality assurance and quality control responsibilities, which is perhaps the most significant of the responsibilities of our current field staff on the job sites.

Mr Bisson: So the rumours are true then?

Mr Vervoort: This is in fact a direction that we have been pursuing as a ministry for as long as I've been a member of the staff at the Ministry of Transportation, which is just a brief 23 years.

Mr Bisson: I guarantee you that's not the direction we would've gone.

Mr Vervoort: But it has been an ongoing direction to move greater responsibilities for the quality—the performance of the contractor to produce the quality and to modify our quality assurance and quality control mechanisms to accomplish that.

Mr Bisson: I've got 30 seconds left—I think that's about all I've got, Chair? I would just say this, there is a real danger, as you well understand, if you allow the contractors themselves to do all of the quality assurance work of the construction of new highways and reparation, because I've been out on the job site on many highways in northern Ontario, while we were in government, looking at the work that's being done and being invited there by contractors and others, and attending with the minister.

There is really an attempt on the part of the contractors to highball and to cut corners when it comes to the quality, and I think the ministry staff are better situated to make sure that we get a good bang for a buck and we get better quality. If we throw that into the private sector, I really think the government is opening itself up to problems, and I would urge that you don't go in that direction. It's certainly not something we would've done as a government.

Mr Vervoort: The need for ongoing monitoring and the appropriate accountability for construction activities is clearly recognized.

Mrs Ross: I would really like to put on the record one more time that when the schedule first came out for estimates, the Ministry of Transportation was expected to be here on the 13th and the 14th and half a day on the 12th, I believe, and then the schedule was revised

because there had been an error made. The minister had made arrangements to attend on the days he was supposed to attend. When the schedule was changed, he was unavailable to be here. We tried to negotiate a settlement to move Housing, to diminish Housing by three hours so we could move Transportation up. We could not get unanimous consent, and everyone knew last week that the minister was not going to be here on Thursday morning. So I just wanted to make that clear for the record. It is not something new that came out just yesterday.

The Chair: Ms Ross, let me just put it this way again. I thought this matter was settled before.

Mrs Ross: Well, Mr Colle seems to—

The Chair: Just let me—the matter was settled before and I thought we had an arrangement, an agreement here. As I said, he's the minister who's responsibility it is to be here to answer questions on estimates, because in estimates there are two different directions that they go. One is on policy and sometimes it's on politics, if we want to put it that way.

The civil servants then will respond to the policy questions. I asked the minister yesterday to make available one of his members, his parliamentary assistant, to be here. He said he would try. He's not here. We decided to go ahead with that. Therefore, you always have the two types of questions coming. I think it's going very well and let us proceed.

Mrs Ross: Okay, just for the record, though, I thought I should put that on there. I would like to ask a question about—

Mr Pouliot: He's your minister, not ours.

Mrs Ross: Yes. There's nothing in standing orders that requires the minister be here as well. So I just thought I'd make that point.

But with respect to Transportation, I understand Transportation's role is to set the standards on the roads. Is that correct?

Mr Vervoort: That's correct. As a general rule, one of the key responsibilities for the ministry is to set the policies and standards for transportation. Those standards take on a variety of different types. They can be of an operational nature or they can be of a highly technical nature, depending on the circumstance.

Mrs Ross: Whose responsibility is it to police the roads?

Mr Vervoort: That would be the responsibility of the Ministry of Solicitor General.

Mrs Ross: Right. Thank you very much. I'd like to ask some questions about road construction again and trucks on the roads.

Mr Vervoort: Specifically axle weights related or the nature of—

Mrs Ross: I want to talk about—yesterday I think somebody said something about 80,000 pounds was the weight of trucks on the road.

Mr Wycliffe: Rudi Wycliffe, acting assistant deputy minister, safety and regulation.

Mrs Ross: Mr Wycliffe, yesterday somebody mentioned 80,000 as being the weight of some of the trucks on the road. Is there a maximum weight on our highways?

Mr Wycliffe: Ms Ross, I made the reference yesterday to 80,000 pounds. That reference was to the maximum

weight allowed on the interstate highway system in the United States of America set by the American federal government. Individual states can by law or by permit or by various other means allow higher weights, and many of them do so. In Ontario, the maximum legal weight, based very much on the configuration of the vehicle, is, under the Highway Traffic Act, 63,500 kilograms, which equates to something in the order of 135,000 or 137,000 pounds.

Mrs Ross: Wow, that's substantially higher than in the United States.

Mr Wycliffe: It's higher than in the United States. The weight for those common configurations that are accepted across Canada—and I referred at length yesterday to what's called a B-train. The B-train that's recognized universally across the Canadian provinces can carry, in most of the provinces, at least 62,500 kilograms and in some other provinces, 63,500.

Mrs Ross: I wanted to ask a question about—I think Mr Colle raised the issue yesterday, as well—the weigh scales that you see on the sides of the roads. Last night when I drove home—it was interesting because usually in the evening, I don't see these weigh scales being opened—on the Queen Elizabeth Way, I noticed one was open, which was kind of curious, because I'd never seen it in the evening. So I'd like to ask about weigh scales. They're not open all the time, obviously.

Mr Wycliffe: That is correct, Ms Ross.

Mrs Ross: Do they have set hours?

Mr Wycliffe: To answer that question, I'm going to have to give you a little bit of the philosophy about our approach to truck enforcement. I guess the first comment I'd make is that what have probably historically in Ontario been called weigh scales, we like to refer to as truck inspection stations, because our role has over the last years changed dramatically from one of just doing weighing and a verification of economic regulatory compliance of trucks to a major, primary focus on truck safety, as we've discussed many times over the committee in the last couple of days.

We have some 240 enforcement officers. We have 46 truck inspection stations. If you do the arithmetic, there is no way that we can have officers at truck inspection stations all the time, secondly, we do not want to do that for a number of reasons. One is that being at the truck inspection station is not always the best place for us to be. The communications network among truckers is, as soon as the truck inspection station is open, the truckers know it, and we know they know it. So we have to do other things.

We have to, for example, be prepared when we open a truck inspection station to pay very close attention to the bypass routes, because some of the people we most want to see are not going to drive by our truck inspection station and encourage us to take a look at their truck, their driver, their load or whatever. So we have associated with our truck inspection stations officers in cruisers who, on their own or often in conjunction with the provincial police or local or regional police, will go out and look for these people who don't really want to see us. That's one of the reasons why the truck inspection stations aren't always open.

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In fact, the reality is when we have two, three or four officers at a truck inspection station, once they get occupied with a number of trucks, and particularly on the Queen Elizabeth highway or Highway 401, the volume of trucks is such that once we stop two, three or four trucks and want to do an inspection on them or the drivers or the loads, we have to close down the station for safety purposes.

There is an exit ramp deceleration lane leading up to the weigh platform, the inspection station. Most of our stations on the 401 have what we call a racetrack and a parking area out back, which is the safest place both for the truckers and our officers to conduct inspections. What we do in most of those stations, we have cameras that monitor the end of the those ramps where the ramp leads off the highway. As soon as the trucks start to back up on that, we have to close the truck inspection station for safety purposes, so there may be a dozen or 20 or more trucks backed up on that ramp. We will close the station, close the signs and allow the trucks to go by until we've cleared that backlog. If all our officers are busy doing inspections, the station will remain closed to the extent that it's not mandatory for the trucks to stop in until one of our officers is free to go back and monitor the traffic coming through.

Mr Rollins: I've got a couple of things that I'd like to get on the record. I want this just to be noted in the record: Personally, I feel that the speed limit on the 401 is too low. If there's only a 20-kilometre difference between Highway 2 or Highway 7, where a person can basically back out of their driveway or pick up their meal on the side of the road, it's safe enough to be 80 kilometres an hour, and with a limited access to the 401, I do believe that we're asking people to be speeding on today's technology roads, that we could be looking at an increase in that.

One of the other questions that I also want to have on the record—I don't believe the the Minister of Transportation should facilitate another company in Ontario, in that Canadian Tire be given the privilege of handing out vouchers for a discount on safety inspections. I feel very strongly against that. We're in business for that and I don't think that's one of the requirements.

I do want to congratulate the minister in the previous government for bringing in the driver licence graduating thing. I think that is something that has been very complementary to the young drivers of Ontario. I hope they would see fit also maybe to bring that same scenario into the truck driving requirement. I think a large number of truck drivers need to have a little more experience than when they're on their own, and you can't get experience by driving someplace else; you've got to really get out on the road.

Wheel-Trans, seemingly, has had a fantastic amount of debt connected with that operation in Toronto, yet in Ottawa and in some other small towns that I'm more acquainted with in eastern Ontario they run at 97% efficiency of those people who request those calls and are made on time and things of that nature.

One other thing that I also want on the record is that when we're on this side we also speak the truth. I don't

like it always to be referred to that only the other side speaks the truth. I resent that very much.

Mr Preston: I'd like to get back to the Ontario turnpike. Is it Mr Guscott, with a G?

Mr Guscott: That's right.

Mr Preston: I don't know about the studies regarding the number of vehicles that go across number 3 Highway. I do know it goes right by my front door. I do know that regardless of the condition of the side roads, what have you, that it takes to get from the four-lane highway in Port Colborne to the 403 in Brantford, there is a humongous amount of traffic taking that route, all of this traffic going directly through the middle of small towns. I live here and it goes past my front door; my office is here and it goes past my front door.

The situation regarding property in South Cayuga is that there is a great land mass that was acquired by the provincial government for a dump, most of which still remains in the ownership of the provincial government. Part of the property could pass directly to the private enterprise that wants to put this turnpike in.

My submission, a very preliminary one that I sent to MTO about three months ago, is not quite as ambitious as Mr Barrett's. I'm considering a four-lane highway from the 403 to go to Nanticoke and then take advantage of the new number 6 to the new 403, and that will provide a link between Fort Erie and Windsor. The lack of that link has cost the industrial city of Nanticoke a number of industries, because once they build what they're building, there's no way to get away from there.

Dunnville has a huge industrial area that—

The Chair: Mr Preston, would you speak into the mike, please.

Mr Preston: I'm sorry. I sure would want to be heard.

Mr Kells: It's okay, I can hear him. I'll tell you about it.

Mr Preston: We are proposing that no money be spent by the government on these highways. My proposal calls for private enterprise to build this highway, run this highway, get a profit—that dirty word—from this highway but alleviate traffic situations, increase the safety situation and provide numerous jobs because we will now have an east-west link between the two states that border our province.

Again I say the traffic, regardless of the conditions of the road and the driving conditions, is tremendous. I would appreciate it if the ministry was to drag out the records, because this highway has been planned for 30 years—not on the route I'd like it to take now, but 30 years ago land was purchased in the Dunnville area to facilitate this highway. I think it's about time we got to work on it. In that way, I'm not blaming the last two governments; I'm going back further than that. I think if we could get those records, drag them out, we're prepared to get a proposal together yesterday, if it's possible.

Mr Guscott: Mr Preston, the TransFocus study did identify some of the needs in the area that you're now discussing. My point about the need for the highway is that in order to borrow money to build that kind of a highway, there are very sophisticated and detailed revenue studies that have to be done. The revenue studies

aren't based around a two-lane highway, obviously, a very busy two-lane highway; they're based around the total traffic that can be attracted to that particular route. I think you've reinforced what I'm saying about the fact that having that traffic go through some of those communities may be problematic. We're probably talking about the need to bypass many of the communities that are involved. But what we have urged the people behind the Ontario turnpike is to do those studies around the revenue potential as the next step in it, because we certainly see it as a beneficial improvement to the infrastructure of southwestern and southern Ontario.

Mr Preston: All right. If the studies are done and presented, you would be prepared to allow this thing to go ahead?

Mr Colle: Tomorrow.

Mr Kells: I'll give you that Queen E that's hanging on to that.

Mr Guscott: You spelled out exactly the conditions we're talking about. You said there would not be public money in it and a public need for that. You mentioned the fact that the Ontario Realty Corp may want to make an arrangement around some lands that were banked in that area. There is no impediment from the Ministry of Transportation in what you're saying. In fact, we now have legislation which will permit that highway to be tolled. However, there are much bigger hurdles to be overcome and they relate to the traffic volumes. In my opinion, those will be big hurdles.

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Mr Preston: All right. Thank you.

The Chair: Thank you. Any other points? Ms Ross, you have about two minutes.

Mrs Ross: Well, just quickly, Rudi. I just wanted to get back to this issue about the inspection stations. From what I'm understanding, then, you open them at certain times, and once you've filled them up, basically you close them and you might do them on different places along the route.

Mr Wycliffe: The last point I wanted to make was that one thing we definitely do not do is either try or to publish what our schedules are as to when our stations are open or closed, for very obvious reasons. We try to keep a very flexible schedule so that the trucking public does not know when and if our inspection stations are going to be open, when or if we're going to be on the bypass routes or operating mobile enforcement, so that they cannot plan their transportation activities in the province of Ontario around our schedules.

Mrs Ross: Okay. That makes sense to me now that you've explained it. Just one question with respect to the weight: If a truck comes to the inspection station, would it ever happen they'd be overweight?

Mr Wycliffe: Very definitely it would happen that they would be overweight, Ms Ross.

Mrs Ross: What happens then? What do you do?

Mr Wycliffe: What we do depends on how much overweight the vehicle is. First of all, if it's overweight, it can be overweight on gross vehicle weight, on registered gross weight or on axle weights.

Mrs Ross: Are they penalized?

Mr Wycliffe: The first thing we will do, very much so, is lay a charge. If it is excessively overloaded, we will require the vehicle to offload; we will require the company or the driver to bring the weight into the requirements under the law for that particular vehicle.

Mrs Ross: Would you have statistics—

The Chair: Thank you very much. Your time is up.

Mr Colle: I don't know if Mr Rollins was here yesterday. We talked about transit for the disabled.

Mr Rollins: Yes, I was.

Mr Colle: I just want to remind people for the record, when you try and apply to smaller communities what happens in Metro, there is a problem in that the Metro system for the disabled is a regional system. In other words, it's not the city of Toronto alone. So the transit authority is mandated basically to carry passengers anywhere from the Don River, the Humber River and back and that adds to the cost.

Plus, the transit authority in Toronto was basically the proving ground for a new vehicle. I don't know if you're familiar with the Orion II buses. They're very good in concept, the small, little buses you see running around in the city, but the maintenance cost for those things—I'm sure if you're back around the business, if you wanted to take a look at the mechanics on those buses, your hair would be a lot greyer than ours is right now.

So when you look at the cost, you have to take a look also at the mitigating factors, which are not always as clear as it is up front because the Toronto cost would look—"Oh Jeez, the TTC." No doubt, there's room for improvement and there are other ways of maybe using the private sector, but it's a costly service to deliver.

One of the issues this whole thing raises is that obviously there is going to be a cash crunch, as you can see» There are only so many dollars and there are going to be a lot of requests, certainly, for road improvement, road expansion throughout Ontario. With Bill 26 now, the ministry has the ability to put tolls on existing roads. I'm just wondering which roads might be under consideration for possible tolling?

Mr Guscott: The legislation which governs tolling was not amended in Bill 26 with respect to the roads and highways that would be eligible for tolling. In Ontario, you cannot toll an existing highway. You can only toll a new highway or an extension to an existing highway. That was not changed in Bill 26.

Mr Colle: I hate to differ, but your own parliamentary assistant, Mr Hardeman, concurred that Bill 26, because of its direct taxing powers over properties owned or controlled by the provincial government, has the right to impose fees on the use of that. He concurred that you do have that right. Now, he said, "I don't know whether anybody's going to use it." If you want to check with the parliamentary assistant to Municipal Affairs, he said this is one of the direct ramifications of Bill 26's new taxing powers.

Mr Guscott: Mr Colle, we certainly could check with the Ministry of Municipal Affairs on that. There is specific legislation, though, in Ontario which limits where tolls can be charged. In the law, as you know, a specific piece of legislation overrules a general piece of legislation.

Mr Colle: You obviously haven't read Bill 26 like we have. There's a very interesting proviso in Bill 26 which says that any new power in Bill 26 overrides any existing law or legislation. You didn't notice that.

Mr Guscott: I'm aware of the provision you're talking about.

Mr Colle: Are you aware that it can override any existing law?

Mr Guscott: I'm aware of the section that deals with Bill 26 and other pieces of legislation. I will certainly check with the Ministry of Municipal Affairs, but I believe it does not permit tolls to be charged on anything other than what's under the capital investment—

Mr Colle: Well, that would be the way to do it if they want to repair it. The ministry should check on that, because it overrides any existing laws in this area. Anyway, the ministry is not aware of that, so I guess I don't want to pursue that. But I just wondered, in terms of what Mr Preston was saying, whether this is one of the avenues you're going to start exploring.

I want to get back to winter road maintenance. I asked a couple of days ago to get a breakdown of what we've spent so far on winter road maintenance. There had been that \$6.9-million cut in winter road maintenance, but because of the winter conditions this year, the amount of money spent was not usual, so I was trying to get a rundown on how much we've spent to date compared to, let's say, previous years.

Mr Oliver: Ian Oliver, acting assistant deputy minister of operations. Mr Colle, at the current time, we don't have all the numbers in to give you an all-up figure. Winter is still going on. But we do know, to date, how things have been running relative to previous winters, and I can give you that information. It is sometimes in numerical form, sometimes in a narrative form, and if you'll bear with me, I will give that to you. It will give you a sense of where we stand.

We all know it's been more severe this winter than previous years. We have lots of statistics on snowfall and how snowfall in the various districts across the province has exceeded the average over the last 30 winters. I apologize for the graphics, but early this morning I was in the office and this is the map we put together very hurriedly. The thing to note is that the yellow areas on that map are the only areas of the province that are consistent with snowfall and precipitation for previous years. Everything else has exceeded the average for the last 30 years.

Mr Colle: So would the red be where it's snowed the most, comparatively?

Mr Oliver: As a matter of fact, the green is the worst, or the most. It goes from yellow through blue through green to red. The map really just explains what we know; it explains what is reflected in our statistics. As far as the costs or the resources we've put to winter maintenance this year, I would clarify that where we started in the fall, with the minister's references earlier in these sessions to the \$6.5 million, we clarify—

Mr Colle: Was that \$6.5 million? I've heard different figures on that; \$6.5 million, \$6.9 million. What was the exact amount taken out of the winter maintenance budget?

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Mr Oliver: The number is, in total, \$6.9 million. What it consists of, as we have said earlier, is the reduction in our fixed costs going into the winter. What we said was we can reduce our fixed costs by so much by doing certain things, and we know we will save that money on the fixed-cost side, regardless of what winter brings—

Mr Colle: Eliminating that patrol, and this type of thing.

Mr Oliver: Ways of organizing our resources, ways of reducing our standby costs, those costs we would bear throughout the winter regardless whether a snowflake fell or not. Those are the fixed costs, and that's what we addressed at that time.

Mr Colle: So you took \$6.9 million out of the fixed costs?

Mr Oliver: Correct.

Mr Colle: Okay. Now what I'd like to know is, year to year, month to month, comparatively speaking, how much more have you spent?

Mr Oliver: I can give you some broad statistics. I cannot give you the accounting detail; I don't have that at this time. But certainly I can tell you what we did then to live up to the commitment that once we had dealt with the fixed costs, we would then do, in terms of resources—

Mr Colle: To meet the demand.

Mr Oliver: —to meet the demands of winter. What we have done is, throughout the province and particularly those areas where you saw on the map it was higher than the average snowfall, we have brought in the necessary additional equipment; in addition to our own equipment, our contractors' equipment was on standby. We have, in various areas, hired in equipment such as extra blowers—

Mr Colle: I understand that. How much?

Mr Oliver: I don't have the exact costs of that, but that's what we've done. I can tell you that overall expenditures for salt usage, equipment hours and overtime hours are up in every district. For example, salt usage at this point in time is up between 40% and 92%, depending on the district, in tonnes. About \$4.7 million, roughly speaking, to the best of our reckoning right now, at this time.

Mr Colle: So \$4.7 million extra on salt.

Mr Oliver: So far, over the previous year.

Mr Colle: That's the cost of the salt plus the—

Mr Oliver: No, that is the actual material, not the cost of spreading it. That's a separate item. Just the material: sand and salt.

Mr Colle: What's the attributed labour cost on top of the \$4.7 million?

Mr Oliver: I cannot give you that in detail. I'm sorry.

Mr Colle: What's the usual ratio per tonne of salt? Is it 3 to 1?

Mr Oliver: Again, I cannot give you an overall ratio because it varies from district to district and road to road.

Mr Colle: So we spent at least twice as much, another \$10 million, probably, on pouring that much extra salt.

Mr Davies: We can give you the precise picture of the salt usage by selective district.

Mr Oliver: Yes. I can give you a detailed breakdown by district of how the salt tonnages have varied, but in terms as the labour costs, we would have to wait for—

Mr Colle: You must have an idea, though, what it costs to spread a tonne of salt.

Mr Oliver: I'm sorry, I do not have that off the top of my head. I wouldn't want to—

Mr Colle: Not even a ratio of—

Mr Oliver: I can tell you that our salaries over the winter roughly run—and the problem is that these are only salaries; these do not account for the charges we pay out for hired equipment. I can tell you the salaries and I can tell you the hired equipment and the tonnes of salt, but I don't want to get into that kind of arithmetic right now.

Mr Colle: I don't want that detail, but generally speaking, how much more do you think you've spent so far on this response to the severe winter? And where does this money come from, by the way?

Mr Oliver: Roughly speaking, at risk at this point because we don't have winter over—

Mr Colle: Yes, I know it's ballpark, an estimate.

Mr Oliver: —I would say we're running around \$18 million.

Mr Colle: So \$18 million more than you would normally spend, okay?

Mr Oliver: Yes.

Mr Colle: Where does this money come from? Is there a contingency fund? At the local level, we always had money put aside that they would usually raid to pay for other things, and then by the time it got around to it, there would be no money left. But usually there would be money set aside in budgets for that type of contingency. Is there a winter maintenance contingency fund?

Mr Oliver: We are pursuing this on the same basis that the Ministry of Natural Resources pursues it with respect to forest fires. We have a base amount of money in our budget related to overall operations and maintenance, a portion of which we protect, as it were, for winter, and at the end of the year—we have had winters before where at the end of the year we have exceeded the moneys that were available as we entered the winter, and in those previous years we have gone back to treasury and we have asked for some contingency funds, and have done that. This year is the first time in recent memory that we've had to do that again, and that is exactly what we're doing.

Mr Colle: So you go to treasury. Rather than having it in the Ministry of Transportation contingency, you have to—

Mr Oliver: In some situations in previous years, within the ministry we have had situations where we've been several million dollars over at the end of the winter, and we have other ways of dealing with that. Not this year.

Mr Colle: Because it's just the extent of the—

Mr Oliver: That's correct.

Mr Colle: In the last 30 years, you said, there's never been this type of winter in terms of the demand on your department as there has been this winter?

Mr Oliver: I think that's fair to say. If one were to look at the individual statistics in terms of the record snowfalls, and not only the record snowfalls that have come in the way of major storms in areas like Sault Ste Marie—

Mr Colle: A lot of squalls came up—

Mr Oliver: We've had a lot of squalls, we've had a lot of visibility problems, we've had a lot of blowing snow. So we've had not only major storms, but we've had sustained conditions in various parts of the province such as Owen Sound, north of Sault Ste Marie and so on.

Mr Colle: Very erratic.

Mr Oliver: Yes.

Mr Colle: So that, so far as you can ascertain, is about \$18 million. Does that include the salt cost, that \$18 million?

Mr Oliver: That is everything.

Mr Colle: How recent is that? How many more months do we have to go before we can get a final figure?

Mr Oliver: Those numbers I'm recalling from looking at the numbers in January, and we are constantly gathering the information and monitoring it and forecasting how we're doing to the end of the year. We're of course guessing how the rest of the winter will be, and you can guess any way you want on that.

Mr Colle: That gives me a good overview of the cost of this severe winter. Thank you very much, Mr Oliver.

I know the previous government and the previous minister had put some moneys in the capital budget for the upgrading of Union Station to enhance the interface there with GO and so forth. How much money was put in there? I can't remember the announcement, the number of millions. How many dollars were put in for the Union Station upgrade?

Mr Guscott: David Guscott, ADM, policy and planning. The announcement about upgrades and expansion of the GO system was made last March or April, and it was not reflected in budgets. In fact, most of the expenditure was future years out and it was not reflected in the 1995-96 estimates for the Ministry of Transportation.

Mr Colle: How much was it, Dave?

Mr Guscott: It was a \$4-billion total program over about 30 years.

Mr Colle: But Union Station itself?

Mr Guscott: There was no money set aside for Union Station or its improvements in there over and above work that GO Transit has been required to do as a tenant of Union Station.

Mr Colle: But there was a specific announcement in terms of enhancing the capacity at Union, though?

Mr Guscott: Well, there was an announcement around that and around a shuttle between Union Station and the CNE. No moneys were budgeted for those initiatives.

Mr Colle: So that was just an announcement without any money?

Mr Guscott: It was an announcement that would have flowed in future budget years, but it was—

Mr Colle: It was a moral commitment?

Mr Guscott: Well, as you recall, there was no budget last year.

Mr Colle: Yes, and we still don't have a budget.

The Chair: I just want to indicate that we've got about three and a half minutes left.

Mr John C. Cleary (Cornwall): I have two questions. One is on the purple loosestrife, and the other is the pilot project done in eastern Ontario on tourism, which the

member across the way is very familiar with, the new signing and everything. If a business or a community requested additional signs, would those still be available under that project?

Mr Vervoort: I can respond to both those questions. Carl Vervoort, assistant deputy minister of quality and standards.

On the purple loosestrife, as you alluded to in your question of yesterday, the ministry has in fact conducted some biological control experiments using insects over the last two or three years to help determine whether they are effective in the control of purple loosestrife. The conclusion thus far is that it is extremely positive and effective. We have had some significant success; in fact, there was some public media attention around one of our sites, at Highways 410 and 403, where that got some public display.

However, purple loosestrife is an extremely aggressive plant and it is very difficult to control. We continue to be frustrated by inability to control it completely and effectively. It is not a noxious weed under the legislation administered by the Ministry of Agriculture and Food, and therefore the mandate to control it is motivated principally, in our instance in the Transportation jurisdiction, by the negative impact it has on drainage. As you may appreciate, it clogs up drains and culverts and the rest, and that has a backup problem associated with it that ultimately affects the roadbeds and pavements. The obligation for control of it is principally motivated, on our part, by the effects on infrastructure.

The Ministry of Environment and Energy does not have a particular involvement with respect to the control of purple loosestrife other than the degree to which the control chemicals being experimented with might have an impact in their use adjacent to water. They have an interest in making sure there are no adverse effects on water.

We have been working with both the Royal Botanical Gardens, situated near Hamilton, and the University of Guelph in trying to devise ways and means of controlling purple loosestrife. Our efforts are ongoing, are not conclusive, but are extremely promising.

With respect to the tourism signing, as was mentioned at the very end of the minister's response yesterday to that question, we have been working in conjunction with the Ministry of Economic Development, Trade and Tourism—it's one of the more difficult acronyms: MEDTT—to launch a new program which is imminent for release for competition, for requests for qualifications to implement a new tourism signing scheme across the entire province. That scheme is based upon experiments conducted in different parts of the province that you had alluded to earlier. The basic concept is that in future the private sector would administer both the acquisition of signs and the installation of signs on a self-financing basis. There have been agreements and standards established for the permitted locations for signs as part of that particular arrangement, and I can provide you with copies of that particular document as soon as it becomes available for public distribution, if you so wish.

The Chair: Thank you very much. This will conclude the exchange of the questions and statements with regard

to the estimates of Transportation. We shall move to the votes for the estimates of Transportation.

Shall votes 2901 through 2904, inclusive, carry? Carried.

Shall the estimates of the Ministry of Transportation carry? Carried.

That concluding the Ministry of Transportation, I want to take the opportunity to thank the staff of the ministry, who went through an extensive exercise with previous ministers in all that, and I want to say again that their dedication in that regard is greatly appreciated. The minister is not here, but I thank him too for coming forward, and those who acted on behalf of deputies, and the deputy present.

The estimates committee stands adjourned until 1:30 today, when we will have Health before us.

The committee recessed from 1204 to 1336.

MINISTRY OF HEALTH

The Chair: We will begin the estimates for the Ministry of Health—15 hours. The minister has 30 minutes to make his opening remarks; 30 minutes each for the respective parties to respond. His remarks are now being copied and will be submitted to you. I'll ask him to start in the meantime so we can get on with it.

Hon Jim Wilson (Minister of Health): Mr Chairman, members of the committee, I am pleased to appear before you for the first time in my role as Minister of Health since we came to government. As the Chairman has said, copies of the remarks should be here momentarily.

It's an unusual situation for a minister to perhaps defend the estimates of the previous government, and I'm sure all of you will appreciate the irony. I know you've gone through this with many other ministers and I've talked to them about the rather pleasant experience they've had with this committee so far this year. I hope you won't make me the exception.

As you know, the estimates for 1995-96 were developed before this government took office. I received them in June last year and, as you might imagine, read them with a great deal of interest. This is particularly the case since I was the opposition critic during the last few rounds of estimates committee debates in the previous government. But I will say my predecessors were skilful teachers as ministers of Health and I've had a number of opportunities to learn the ropes.

I will not presume today to defend the estimates of a previous government. However, I can comment that these estimates have helped me become even more committed to making significant change in the way the Ministry of Health functions. This is not change for the sake of change, but change to a new direction, a direction based on realism about what we face together and real optimism about what we can achieve.

So while I am not in a position to defend the previous government's estimates, I do see this as an opportunity to offer you something of a forecast of future estimates and a closer look at how the Ministry of Health and the health care system are well on the road to change. The tools we now have will take us farther down this road of change.

Today I want to talk a bit about the directions we are taking, what the job entails, how those tools are going to be used and what we are setting out to build together.

This government has stated clearly that we are committed to holding health care spending at \$17.4 billion a year. We've also stated, however, and it's worth repeating here again today, that the status quo is not an option. As a government, our main goals for the past months have been to get expenditures under control and to restructure government so we can get out from under our crushing debt load.

In the past we have had government by credit card. Well, the credit card's limit has been reached, the card's been recalled and we must begin to live within our budget and live within our means. Ontario can no longer sustain a debt that every hour pulls out \$1 million more than what goes into the public purse. This is debt by stealth.

I think we should all understand, as most of us do, that at the end of the day this is not about winning an accounting award; it's about people and their futures and it is about Ontarians having fair access to a system that takes care of all their health care needs—from prenatal care to geriatric care.

What we are doing is bringing about a fundamental change to the role of government, and nowhere is that more evident, I believe, than in the area of health care. Our government wants to ensure that Ontarians have a health care system that is sustainable and accountable. To do that, the Ministry of Health must change the way it does business.

I'd like to assure you, colleagues, that this is not just rhetoric. We have carefully examined how government has functioned in past years and we've come to the clear conclusion that there must be major shifts in how all of us—government, health care providers and consumers—think about health care.

Where once we relied on large, central hospital institutions to treat every ill, we now have a mix of home, community and hospital care. Across the Canadian health care system, where decisions on programs and services were once made based exclusively on perceptions of central authorities, there are now regional and local councils acting as the eyes, ears and consciences of local communities who help government plan and deliver these services.

We have to continue to shift perspectives, but we must always recognize that patient care is key in our health care system. This government's focus and the focus of all our restructuring efforts is on the patient and on a reliable, efficient and accountable health care system. We are responding to the needs of the people of Ontario.

Patients have to become more knowledgeable about their own health and they have to participate more actively in their own care. We must help educate the public and we must continue to be actively involved in health promotion and disease prevention. We do know that people want a say in their health care, and patients are entitled to and should be encouraged to be involved. They should ask questions like: "Do I need to have these tests? What will they do for me and what are you looking for?"

We must evaluate areas where federal and provincial efforts are diffuse and focus on which government has a leadership role so that we can better focus our resources. After all, there's only one taxpayer. I've also stated repeatedly, and will again, that we must get rid of waste, duplication and inefficiency in the health care system. We have to realign our resources and we must direct them squarely at patient services.

We've begun to do that in one important area in terms of streamlining the drug approval processes between the federal and provincial governments. At some point when you have a couple of hours, members, I'd be happy to explain the tremendous amounts of red tape and duplication that we put both generic and brand-name drug companies through, for example, at the federal level and then again in each of the provinces. We've made significant strides over the past six months in getting rid of much of that red tape, which saves money and allows us to keep the money out of that system and put it into purchasing drugs for people in the Ontario drug benefit plan.

We must also restructure the health care system, find savings and then reinvest those savings in front-line care. You know that's been the major theme of the ministry over the past six or seven months. But we have to find the savings first—and this is an important point—before we commit money for new or expanded services. You know that we've committed to reinvesting the savings found back into front-line services.

Where we are trying to be different—and perhaps all governments of all different stripes were in the years past—is that often announcements were made to find savings and certainly usually at the same time the reinvestment announcements were made or the new programs got up and running, but often then governments forgot to actually go and recommit themselves to finding the savings to pay for the new programs. So you had the programs going one way and you didn't often have the savings on the other side catching up to pay for the new programs. So we've not made any announcements to date where we didn't find the savings first and then make the announcements. It's a responsible way to run things, I think.

We do not have the luxury of deficit spending. The taxpayers and voters in Ontario have told us point blank to stop spending money we simply don't have. I'm pleased to tell this committee that my ministry has undertaken a line-by-line review of all our programs and services. We've achieved savings to date of \$132 million through administrative efficiencies and by cancelling projects that duplicated services or that were already being provided by other organizations and/or jurisdictions.

We stopped, for example, funding the massive tobacco advertising campaign, a program that was similar to the one that was being delivered at the same time by the federal government.

We also made savings by putting on hold the previous government's photo ID health card and the massive re-registration program that was planned. With this action, we will make sure that expenditures are diverted not only to an upfront registration process, but to long-term struct-

ural change and efficient technology and systems. The photo health card did not contribute to the development of an integrated health information system, but simply duplicated the initiatives of other provincial ministries.

Let me restate that the savings we're making will be reinvested in the health care system. We've already started to shift our policy directions so we can better match the money to health needs and improved accessibility, and we've started the reinvestments.

In the past few months, we've made announcements about improving dialysis services across the province. We're bringing these services nearer to patients' homes and so far we have been able to tell nine communities in central Ontario that they can expect enhanced services earlier this year. I am pleased to tell you that several other new or expanded services will also be started in other parts of the province in the coming months too. I am very proud to have been able to accomplish this within the first few months of my term in office, given that I spent three years in opposition trying to get dialysis services expanded across the province. I think it was about two years ago that the government actually passed a private member's resolution to do that and we were able to find the savings, reinvest those savings and expand dialysis.

We're also reinvesting in emergency services and training ambulance personnel to use defibrillators and special life-saving drugs. By continuing and expanding this project, we will assist paramedics across the province and we will enhance services for people living in rural communities, as well as large urban areas.

We have been able to make significant commitments to cardiac care as well. In December last year, we announced that funding for cardiac surgery would be increased by 19% to meet the increasing demand. I expect this will have a significant impact on waiting times for cardiac surgery over the next two years. I should say that's one year ahead of what was recommended by the provincial adult cardiac care network. Again, we were able to find the money, reinvest it in a shorter time frame and add an additional 1,900 surgeries over the next couple of years, which should dramatically reduce the waiting lists for cardiac surgery in the province.

Interjection.

Hon Mr Wilson: The 1,900 is over the next two years. Correct me if I'm wrong.

Our government is also reinvesting in yet another vital area of need—care for patients with acquired brain injuries. I know a number of colleagues have taken a really personal interest in this and I look forward to your questions. We are taking savings that we've made in other areas and using them to repatriate all 76 people who have had to be treated outside Ontario for acquired brain injury, treatment which was costing Ontarians about \$21 million a year outside of the province.

Now, these patients will be able to receive treatment in Ontario-based ABI facilities with minimal disruption to themselves and to their families. The patients gain, their families gain and, in the process, Ontario will also save \$9 million.

Earlier this month, I announced a reinvestment of savings to train health professionals from across the

province in diagnosing anorexia and bulimia, two serious eating disorders that affect a large and growing number of young adults, especially women.

Many of you will also know, of course, about our measles campaign. That too speaks to reinvestment in patient care. Just a few weeks ago, we began the largest immunization campaign of its kind ever in this province. The program is aimed at trying to virtually eliminate measles among our children and to prevent the many terrible side effects of measles, including blindness and premature death.

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At a cost of just over \$4 million, we are redirecting taxpayers' health care dollars directly into front-line services, in this case preventive services. Be assured this program will have its own spinoffs. By keeping our children healthier, we reduce their chances of further illness, and that too saves us financially in the long run.

In the drug program area, we've been able to make changes to the Trillium drug plan eligibility criteria so that 140,000 more Ontarians can receive help with the cost of high drug costs. Again, this is reinvestment in direct patient care while at the same time containing expenditures in the rest of the drug program to keep it affordable and sustainable.

Most recently, we were pleased to provide a new model for long-term care in Ontario. The new system will allow families or patients to get information about the care they need from one source. We are rationalizing 74 community-based agencies into 43 community care access centres, centres that will provide a single point of access for individuals and families needing care. That means less red tape and duplication, more health care dollars dedicated to front-line services and, most importantly, streamlined access to services.

The program we've announced keeps volunteers, the people who make invaluable contributions to many programs in the province. It keeps those volunteers involved in the long-term care community based system. The Red Cross, the VON, St Elizabeth Visiting Nurses, Meals on Wheels, the individuals and organizations that give so freely of their time and talent will still be there when those in need call for help. Much of what we are doing and what we are planning involves partnerships, and invaluable partnerships such as those I've just described with the VON, Meals on Wheels and other volunteers and groups.

Our restructuring includes provincial mental health care services. We're ensuring communities are involved in the process and that change takes place only when we feel very confident that community care and community supports are established and in place. To that end, as part of new community investment funding, the Ministry of Health will be announcing new, community-based mental health services based on recommendations from district health councils. Resources from the community fund will be used to increase community and support services for people discharged from provincial psychiatric hospitals.

We're also working with physicians to resolve long-standing issues such as the need for physicians in underserved areas of this province. The number of physicians has grown proportionately faster over the past decade

than the population of Ontario, yet nearly 70 communities, 60% more than in 1990, places like Marathon, Geraldton and Alliston—a town I represent which is only one hour away from this building—these places do not have enough physicians to treat the people who live there. We're working to find ways to encourage physicians to work in these communities, in communities where they're most needed, and we've taken significant action already.

I recently announced the implementation of the Scott report recommendation that called upon the government to offer a \$70-per-hour sessional fee to physicians who provide overnight and weekend emergency services in rural and northern hospitals. Already many communities like Manitowadge have recruited physicians, some as a direct result of our new sessional fee. I want to publicly thank the community leaders in Manitowadge who recently wrote a letter expressing the fact that the new \$70-an-hour sessional fee has resulted in the fact that they now have an almost full complement of physicians. I think they said they have three new physicians in town for the first time in many, many years.

I recognize that there is still much to be done for rural and northern communities. We're working on a multi-faceted strategy that can reliably deliver health services to people in rural, northern and other underserved communities.

Our estimates for 1996-97 will be significantly different than those you have before you today. We will emphasize spending on agencies and hospitals that have restructured and improved access to direct care; we will spend less on administration and management. However, I also want to underscore the fact that I am not asking health care providers to do anything that I have not been willing to do myself. My own staff is fewer in number than in previous governments and the Ministry of Health itself is restructuring to become more efficient and effective.

In the past few months, the public service and the political staff have together carefully examined the work that we do. We have identified the areas we need to focus and concentrate on. We have determined that we need more sophisticated and integrated health planning and that we also have an urgent need for an improved information system. The government, and particularly my ministry, is lagging behind technologically. Because of this, we can't really root out waste and duplication or fraud as easily and as quickly as we want to and as easily and as quickly as the public expects us to.

I'm sure many of you heard the news story last month about the physician who made a claim for about \$2,000 for a heart and lung transplant allegedly done in his living room. Colleagues, I can tell you the only good thing about this story is that the physician didn't charge us for the house call. It illustrates frankly how easy it has been to defraud our system.

Today we are in a much better position to address this. These are the kinds of problems we have to fix, not by throwing more money at them but by getting to the root cause of the problem and fixing it.

The reality is, we also urgently need to attend to the technological demands of the Ministry of Health. Improv-

ed information systems will allow us to track demands for health care and ensure accountability across the system. They will give physicians, researchers and planners the tools necessary to forecast and meet the demands for future health care well into the next century.

Perhaps most importantly, an improved, well-designed and secure system will work to protect patients' health information, not endanger it. I would welcome questions on this, because key to the work that we will undertake as priorities throughout 1996, the key to all of this is an improved information system for the Ministry of Health so that at some point in the near future we can actually tell you what's happening in our health care system.

As I stated earlier, and I would like to repeat this, we want to make the system work for the patient, not the other way around. The litmus test for our success should not be whether all health interests are satisfied, but whether the patient is cared for. Provider convenience is no substitute for patient service.

We'll do that through sound management and through integrated management. We will do that by establishing business criteria within our own operations and decision-making. All ministries, including the Ministry of Health, have prepared detailed business plans. We're introducing business case criteria, performance measurements and improved accountability as we review our spending. We will also make the system work for the patient by restructuring hospitals and having physicians in communities that need them.

The Health Services Restructuring Commission will facilitate restructuring, first within the hospital system and beyond the institutional area, if necessary, to improve integration of care across the province. The work of the commission will be directed, as outlined in Bill 26, by the studies prepared by the local communities through the district health councils.

Hospitals in Ontario have been living with change and the need for restructuring for some time. We're listening to those health care providers on the front lines and giving them the tools to restructure hospitals and bring about better, more effective and appropriate patient care.

The Ministry of Health is taking on a new role as we restructure our health care system. We will no longer be the passive payer, providing funds to whatever problems seem the worst. Instead, we will become strategic managers, focusing on creating a seamless health care system where the patient does not fall through the cracks. We will create an integrated system where the individual gets the right care that will most improve his or her health.

We will set overall directions and provide standards or benchmarks for services. We will continue to provide funding, but we will ensure that money is spent on a planned system-wide basis. We will foster effective, efficient and appropriate care at all times and we will become less of a direct service provider through hands-on programs administration, while encouraging more joint private and public sector participation in health care delivery.

How will the new health care system look? The system we will see in the future will link funding with accountability, and that includes everything from physician fees to hospital budgets. Health service providers who receive

taxpayers' money will be held accountable for how it is spent. There will be targets and benchmarks emphasizing improved patient outcomes. Waste and duplication will be squeezed out, leading to a more cost-effective health care system.

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The system will be dynamic, open and innovative to partnerships, change and reform. We will work with the private sector to instil competitiveness appropriately, and that will lead to better and more wide-ranging services at reduced costs. An example of how we've already acted on that principle of partnership with the private sector has been the dialysis request for proposal process that did go out across much of the province, where the guiding principle was highest quality and best price. In the tenders that we've seen come back to date and the ones that were awarded, I think it's about 50-50; the private sector won about half of those tenders and hospitals or other public agencies won the other half. There are more tenders to go out and to be awarded across the province; and, again, quality before price. So far it's worked very well.

Finally, but just as importantly, the system will be founded on quality, as I said. We can extend our definition of "optimal patient care"—and that is a made-in-Ontario definition, which is giving people the right care at the right time—and the extension of that definition would be to giving people the right care at the right time the first time. Once again, getting it right the first time means putting the patient first.

At the end of the day, we're creating a health care system in Ontario that is based on strong leadership: leadership from the government in bringing about needed and long-overdue hospital restructuring; leadership from those same hospitals in finding better, more cost-effective ways to treat their patients; leadership from physicians in helping us to bring costs down and provide a more equitable access to services around the province; leadership from front-line health care providers and volunteers in ensuring optimal patient care everyday.

We've made some difficult decisions already, as you know. More lie ahead. But we are on our way to maintaining and enhancing what is no less than the best health care system in the world. I firmly believe this.

Ontarians, like many Canadians, are anxious about the future of health care. As the federal government reduces funding transfers to provinces, including Ontario, that anxiety can only grow. This year, for example, the Ministry of Health expects to lose about \$40 million in federal transfers, and over the next two years Ontario will lose some \$2.2 billion in transfers from Ottawa.

But we've made a commitment to maintaining a system-wide level of funding to health care. We will spend smarter and make the changes that are needed to do that. The people of Ontario want to know that the health care system will be there for them when they need it. Our number one objective is to do just that, and it's the basis for our vision of our new health care system in Ontario.

It's a vision that shifts resources more and more to community-based services and away from expensive institutions; a vision that reforms primary care so phys-

icians and other health care practitioners can practise in a way that ensures optimal patient care; a vision that allows us to reinvest in priority areas where we can immunize school children and eliminate measles in Ontario by 1997; a vision that expands treatment programs in cancer care, dialysis, cardiac care, mental health, public health and community health services; a vision that emphasizes prevention, early detection and intervention and allows us to reinvest our resources based on this vision in such areas as breast cancer screening; a vision that entails fewer but restructured hospitals delivering more accessible and effective patient care; a vision that uses information technology and health information to link our health care system into a seamless web that allows for better health outcomes and more accountable health care decision-making.

Patient-focused care and accountable health services delivery are the twin pillars of our new health care vision of Ontario.

Mr Chairman and colleagues, I have every confidence that we will achieve this vision and I have every confidence that when we return next year to debate the 1996-97 estimates, I'll be able to give you more examples of savings and reinvestments that we've made as we change the Ministry of Health and the health care system to one that is integrated and seamless and puts the patients first.

I look forward to your comments and your questions. Thank you.

The Chair: Thank you, Mr Minister. As I said, the rotation will be 30 minutes for response.

Mr Cleary: Thank you, Minister, for joining us at the estimates committee. Given your reluctance to attend other committee hearings—and I point out your failure to appear at the general government committee during the public hearings on the legislation which drastically alters your ministry—I think it's quite a privilege that we have you here today.

I found your opening comments to be quite interesting. You touched on cardiac care, brain injury and measles, and I think those are all very important issues to each of us in Ontario. You started out with the same old rhetoric as all your predecessors did here: \$1 million every hour. That's the same thing that they said. I know when you were critic how frustrated you got. You got all red in the Legislature when the government wasn't spending the money that you wanted them to spend and was spending more. So maybe there should be a bit of guilt on your part too.

Hon Mr Wilson: I never asked for anything I didn't offset.

Mr Bisson: Oh, give me a break. Give me a break, Jim.

Mr Cleary: Especially when I look at the promise before you were elected and what you're actually doing now as minister, it seems we are going to have quite a lot to talk about here. I suppose I could expound on all of the things that we found very interesting about your comments such as no user fees, and I guess the other thing I would have to say, integrity.

But before we get into the facts and figures of the ministry's estimates, I would like to ask, is it true that you admitted in an interview, and I believe I am quoting

directly here, "Everything I said while I was in opposition was just posturing?"

Hon Mr Wilson: Do you want me to answer that?

Mr Cleary: Well, we'll get around to it after. You tell me and all the other people of Ontario that you did not necessarily believe the words which fell out of your mouth before June 8, 1995. Is there any reason I or anyone else in the province should believe the words which spill forth from you now, especially considering the so-called contradictions or broken promises that are already arising, from the election document to the action you are taking today?

There is just no way that Bill 26 would make it through a review without looking further into the bill, the unpredicted powers, the grab legislation that your government has thrust on the people which drastically alters health care in this province. It is almost unbelievable that the bill contains many provisions regarding the Ontario Health ministry system.

May I just ask why you did not attend any of the hearings? What could possibly have been so important that you did not take the time to attend even one public hearing on the health section of Bill 26? Have you personally read Bill 26? If so, it's pretty obvious that the level of support for the draconian changes to health care contained in Bill 26 is very low. Please provide me with your perceptions.

We know that you didn't attend any public hearings and we know that the public mood on the bill is not very favourable. But now that it's law I think we all have to work together to make the best of it. I still have another concern. Can you tell me how many provisions contained in Bill 26 when it was first introduced that affected health care, whether hospital restructuring, pharmacists, user fees or whatever, of those clauses I mentioned how many actually received consideration during clause-by-clause review?

When Bill 26 was in committee, we heard many screams of horror throughout the province—maybe some of them should have been, maybe some of them shouldn't have been—but I think more than telling you before that we were planning to attend the public meetings we had in David Turnbull's riding—I stand corrected if I'm wrong—during this process you were supposed to appear and you cancelled out at the last second. Why were you afraid of the public hearings?

Mr Bisson: I think it was David, not Jim.

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Mr Cleary: Then you had the nerve to try to say that there was nothing new in Bill 26 on the privacy commission. The privacy commissioner disagreed. The privacy commissioner told you to get your hands off people's private medical records.

In the Common Sense Revolution on cutbacks, I'm sure you will recognize the following statements, Minister, but I would like to just put them on the record: "We will not cut health care spending. Health care spending is guaranteed." Sound familiar, Minister? Here's a biggie: "There will be no cuts to health care funding under a Harris government." Now, however, here we are trying to forget about \$484 million.

I've talked about the facts that you have. What happens to your promise about, "Not one cent cut from health care costs"? Can you indicate clearly exactly how much money has been siphoned out of the ministry so far despite your election promises and how much have you reinvested? I know you mentioned here that you've reinvested \$132 million.

You say that the Health budget will be \$17.4 billion in four years. We know that wasn't the promise. Can you guarantee that the Ministry of Health will not have an increased responsibility over the next four years? I will get into the local cutbacks in eastern Ontario, the area I represent, later because we have many concerns there.

Your election platform, the so-called Common Sense Revolution, clearly stated, "Under this plan there will be no user fees." "No new user fees" during the election campaign, but on this day in 1996 people are frightened because that is not going to be the case. The Premier also promised, "No new user fees." Then don't give us that line about the Canada Health Act because it isn't anywhere in the Common Sense Revolution.

Talking about the seniors, we talk about chronic fatigue in our part of eastern Ontario, and I'm sure there are other areas in the province, and I wrote you a letter about 130 residents of Ontario. I wrote you the letter August 8, 1995, over six months ago—no reply. I wrote the same letter on September 2, 1994, to the former minister, Ruth Grier—no answer.

Anyway, those are just some of the issues that are really concerns. The other big concern in our part of eastern Ontario, and I'm sure it's the same all over, hospitals were allowed to bill OHIP for work done on the same terms as Hospitals In-Common Laboratory at about 75% of what the private lab costs, and where successful, attracted only 50% of the work currently performed by private labs in Ontario. The total spent on medical lab services would decrease by \$53 million per year, and another \$160 million could annually be available to hospitals throughout the province. Those are just some of the things we are facing.

Children's mental health services: We have heard some speculation that children's mental health services would be moved to Health from Comsoc. Can you confirm this?

The other thing you mentioned earlier about doctors, underserved areas, we have many of them in Ontario, and I think we all have to work together to get that corrected. I know in my riding we've been underserved for some time.

Long-term care: When will we see draft legislation on long-term care? Do you have any timetable for it to pass?

I want to talk a little bit later about dialysis. You mentioned it was going to be throughout Ontario, and I congratulate you for that. It's something that I've been working on back into the 1980s. I think it's very important, because I know many people in our part of eastern Ontario had to go to Kingston or Ottawa. They just couldn't stand the travelling and they're not with us anymore.

I want to talk a little bit about chelation therapy too. Many in our part of Ontario have to go to another country to get that treatment. I have people in my community who were taken off the operating table with

no hope to live. They got chelation therapy and they're still going.

I have lots of stuff left here, but I think my colleague wants to talk. Go ahead.

Mr Joseph Cordiano (Lawrence): How much time do we have left, Mr Chairman?

The Chair: You've got about 20 minutes.

Mr Cordiano: Let me start by saying to the minister that indeed he has a very difficult task. As the Health minister, he has one of the most difficult portfolios in the government today. I would want to acknowledge that from the outset and simply say to him that whatever he does undertake will be watched with great regularity and a great deal of scrutiny. No matter what he says and no matter how he says it, everyone will wait with bated breath for every word and hang on those words, because they're that critical.

I told the Minister of Community and Social Services when he was here that, as Minister of Community and Social Services, he is the conscience of the government. If he's the conscience of the government, you're like the high priest of the government, and I'll tell you why. People have almost a religious belief in health care. It goes that far, and I think you must realize that. There is nothing that resonates more fully with people in the province than health care does. So you are the custodian of that sacred trust, to use a phrase from days gone by, and I think one you'll be familiar with.

When the Premier spoke these words, when you spoke those words and other people I'm sure who were in your party, the backbenchers who knocked on all those doors in their ridings at election time, and said, "There will be no new user fees," people took you at your word. So what do we have? Do we have new user fees or not? That, I think, is the essence of why we hold you somewhat in contempt before us, why people would hold you up to those commitments you made, because you said them with absolute commitment. The full meaning of that expression, "No new user fees," was taken to mean exactly that: no new user fees.

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I suppose you're going to argue today, and have been arguing for some time, that really these are not new. Maybe you can make that argument. Maybe what you really meant was, "These are familiar types of user fees; we have them in the system already," as you've said in the House. "There are user fees of one kind or another. They're not that new. They're quite familiar." If that's what you're arguing, I would say to you that's a very weak argument and that's a play on words, because we are talking about user fees; call them whatever you want. They're still acceptable under the terms of the Canada Health Act, but none the less, they're user fees. And people have come to believe that in fact you're moving down that road. It scares people, literally scares them, to think you'll take us back to a time when there were user fees for just about everything.

Yes, you will make the argument today and you will make the argument in the coming months, I'm sure, that there will be a line drawn in the sand on what's medically necessary and you will not go beyond that line. But it's a kind of creeping effort on your part that will lead

to a two-tiered system. If you want to do that, let's have a real debate about what that would entail, or let's make it clear to the public that you're not going to have a two-tiered system.

People interpret words to mean many different things. We obviously use words very carefully around this place, and people should not be left to their own interpretations when you've said very clearly that there will not be new user fees. When you look at the evidence, the user fees imposed under the Ontario drug benefit plan are new and impose an incredible hardship on many people. What are you asking people like the disabled and single mothers and children to do? Trade off their grocery money for the user fees now being imposed? I say to the member, Mr Preston—I've forgotten where you're from—I can remember when I was growing up as a boy when there were user fees.

Mr Bisson: You were never a boy.

Mr Cordiano: Well, I was at one time, believe it or not. My mother's not here to tell you whether I was a good boy or a bad boy. But let me tell you that there were user fees, and every time I had to go to a doctor—and I had to go to the doctor quite often—my mother shuddered to think that she would have to pay for that visit, because those were tough days. People did not have a whole lot of money to go around, and there were weeks that went by when we had to do with less in terms of groceries and other things when that visit was paid. I say that to the Minister of Health, because it wasn't such a long time ago. Honestly and truly, I'm going to fight like hell to make sure you're not going to take us down that road, because those were hard days and I don't think people have to trade off grocery money in order to pay for the user fees you've imposed on them.

If you want to do this, if you want to turn this into a kind of creeping up to a two-tiered system, come full circle and tell people what it is that you're doing. Let's be honest about it and let's be plain about the language we use, that in fact you're going to introduce these fees because you feel this is the way to take the pressure off the system. I disagree with you; I don't agree with your methods. But let's speak in straightforward terms to people because, as I said, you hold this as a sacred trust. This mandate you've been given and this undertaking you have as minister amounts to that. People take it with every degree of seriousness that is intended.

What have you done thus far? Obviously, we're very disappointed with the actions taken and we will continue to ask you questions on some of these matters. As for what you've done with Bill 26 and your lack of action—my colleague has pointed out your disappearing act on Bill 26—it caused people a great deal of concern and created an environment in which people weren't reassured that you were there to defend those interests. At the end of day, it doesn't give people confidence to think that what you did under Bill 26 went forward without your knowledge and without your having a full consideration of the impact of what was contained in Bill 26, the lack of consideration for privacy and all the sections dealing with that, and then subsequently you moved amendments to deal with those concerns.

How do you expect people to feel when you brought those amendments forward, after you reassured people in the House that there was no concern about privacy in Bill 26, and then later on you got caught with you tail between your legs, having to admit that amendments were necessary? That shakes confidence in you as a minister with the public. That certainly undermines their belief in you. That certainly undermines the sacred trust they laid before you and that you are to uphold as a result of your station. Ultimately, Minister, anything you do with respect to these initiatives is going to be taken with a great deal of suspicion and concern. People will question you, as I said at the outset, very carefully and very determined to ensure that you are not making moves which would put people at risk.

When you come before us, as you have done today, and tell us that you're making the necessary changes and you're streamlining and you're making things more accountable, that's all fine and good. We agree with the necessity of doing that, and no one would sit here and say that there isn't the need for greater efficiency and streamlining. No one would sit here today and say you have an easy task when you close down hospitals in various communities that will affect members of your back bench and affect members of the opposition. We understand that you have a difficult job. I understand that and I accept that. But when you say one thing and then do another, as my colleague pointed out as well, and your integrity is then questioned, what do you expect from people? What do you expect them to say? What do you expect opposition members to say?

Sure, we sit on this side of the House and you may dismiss us as being partisan; you may dismiss all these comments as an effort to undermine your position. I say we have different points of view, fundamental differences. It's at the very heart of why we have three parties in this province. We have fundamental differences in our approach. There are some things, as I'm trying to point out to you, that we can agree on and would want to work with you on, but there are a lot of things which strike at the very heart of what we disagree with you about.

We will be questioning you in terms of the details. For example, you've said in the past that you will not micro-manage the ministry, yet we see that you are attempting to do that under Bill 26. You made a number of commitments to people during the campaign, seniors, retired persons; there was a coalition. You made a commitment that the budget of the health care system was sealed, would not be touched. You've taken \$1.3 billion out of it already. What areas were affected? What areas are being affected? Perhaps you will tell us today, if it's not \$1.3 billion, how much of that money has been taken out of the system and, over the course of time you're dealing with this, what your plans are for areas that will be affected. Give us more detail. That's what we want to know.

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You've alluded to various areas that you're going to replenish or include in additional measures you're undertaking. We want to know more detail about that as well.

I would also ask you about the plan put forward by the OMA for primary care, what your views are with respect to that and whether you have undertaken any studies or initiatives of your own regarding primary care and what you intend to do with that whole area, and how that might mitigate against the situation as we now know it with the scarcity of doctors in remote regions. That plan was put forward by the OMA. I'm interested to know what your opinions are around that.

Mr Chairman, do we have much time left?

The Chair: You have three more minutes.

Mr Cordiano: Let me finish off by saying that we will want to know the details in those areas, which I think you were short on in your lengthy brief of 34 pages—a lot of paper for what you said here.

What are you doing with long-term care? My colleague did a good job of asking you about a variety of these areas, but we want to get at the long-term care and what you're doing with respect to that, what plans you have for legislation, if you're about to introduce legislation in the near term.

I would also like to ask you about the department that exists within your ministry for privatizing services. Could you shed some light on that with respect to what plans are being undertaken and what your objectives are and what your outlook is for privatization? How far will you go with privatization?

Those are some of the concerns we have, Minister, and we'll be asking you further questions on that.

The Chair: We have two and a half minutes. Do you have any quick comments, Mr Cleary?

Mr Cleary: Sure. I just wondered, what is a normal time in the Ministry of Health for you to reply to our questions and letters?

Also, in my riding, the two hospitals don't know what budgets they're dealing with, and I'd like to know when that's going to be available to them.

Another thing I want to talk a bit about and will get into a little later is in the cutbacks, about where assistance has been offered to many of the seniors living in the community, with someone trying to look after them to keep them in their homes. Their hours have been cut in half. That's very important in rural Ontario where we don't have the same opportunity as in the larger cities.

Another thing I want to talk about is drug addiction treatment centres, how they've been cut back drastically, treatment for drugs and alcohol problems. Some of them really have to downsize and cannot continue to offer the service they have.

I'd like to talk a little about the Health Services Restructuring Commission too; namely, how many members will be on that and how that will be handled, or will that just be a Tory government party?

Mr Bisson: Thank you, Minister, for being here before this committee and giving us the opportunity that we don't often get to spend some quality time with the Minister of Health for the province of Ontario. I can tell you from my time in government that the Minister of Health is probably one of the most sought-after ministers of the crown by all members. I can tell you, living in northern Ontario, the number one issue that always preoccupied us as members of the north was health care,

everything from dialysis to cardiac surgery, to transportation and accessibility to doctors.

I'm going to take this 30 minutes to try to respond to some of the comments that you made in your opening statement. I realize that you need to talk to your deputy, but I would like, if I could, to have your attention as we're going through this.

I think fundamentally there are some things that we can agree on. I'm going to say, on behalf of my party, there are things that your government is going to do in health care that I think in general direction we can support. Do we need to restructure our system of health care when it comes to hospitals? I think the answer is yes. Can we do it? I think it's yes. Can it be done in a way that we're able to protect the services to the people? I think it's yes. Do we need to restructure our system of community mental health? The answer is yes. Again, yes to all the things that I raised before. Do we need to restructure our system of long-term care? The answer is yes.

So I think we all agree; I think the Conservative Party, I think the Liberal Party and the New Democratic Party of Ontario agree in general principle that our system of health care, as great as it is—and it's the envy of most citizens in other jurisdictions and other countries—is a great system of health care.

What the system was designed to do was to respond to people when it comes to their health needs directly, but at the same time to be able to evolve with the times. I think that's the one strength of our health care system. It's not a monolithic system that is enshrined in stone that says, "Never shall you change the way that we deliver health care," because when Tommy Douglas brought in the system of health care in Saskatchewan, later followed up by every provincial Parliament and federal Parliament after, somehow the principles of health care equated to how health care is delivered. I don't believe that. I believe that the system has to evolve with time and I think I'm in agreement.

I think—and I will speak on behalf of my party on this point, because I think the Liberals need to say this for themselves—where we've having the greatest amount of difficulty with you is the principles by which you intend to make those changes. I've sat here at estimates now for the last week, week and a half, and I've listened to ministers on everything from Community and Social Services to Housing to Transportation and now the Minister of Health, talk about how they're going to change public policy in this province in a 180-degree turn to the right. That is not only scary for me as a social democrat, a socialist, as we are likely to be called at times, because I believe that the state does have a role to play and I think a lot of people agree with that.

I think the problem is that you're going to be making changes that are going to fundamentally change the entire purpose of what our health care system and other systems that we've established in the province of Ontario were designed to do in the first place. You're going to be doing this all based on the principle of an ideology that says right is might; private sector good, government bad. You're going to make the changes on that basis, and I think there's a real danger in doing this.

We've understood in this province and we've understood in this country more than anybody else—and this is Conservatives, Liberals and New Democrats under various governments, not only here in Ontario but across this country and at the federal Parliament—that the province or the state, the federal government being the state, has a very, very important role to play when dictating how public policy should be carried out in this country or this province. We understood that if you allowed the private sector only to delve into certain issues that are important for the public good, the private sector in itself could not do it, because markets would dictate such that you would not have services offered in different regions of our province or different regions of this country, because they would not be profitable.

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That is not only true when it comes to education; it's also true when it comes to health care. Does it make economic sense to run a hospital in James Bay and a place called Moosonee or Moose Factory? The answer is no, you don't make any money at that. Can you make money at it? Probably not. Can you operate a hospital in a community like Chapleau? No, you can't, on a profit motive. You can do it in Timmins, you can do it in Sudbury, you can do it in Toronto, but you can't do it in those smaller communities at the degree of service that we want to provide to our citizens.

If we allowed our system of health care to be driven by the principle of making a profit, such as the system of health care as designed in the United States—I don't fear this by way of some supposition; I fear it on the basis of fact—many communities in this province would go without services that they're presently getting under a state-run system of health care.

In a community such as Chapleau, where there is a hospital that provides—well, I'll give you another example, one that I'm more familiar with. The community of Iroquois Falls, a community of 5,700 people in my riding, has a hospital that has in it a number of beds that it's able to offer to its citizens in the event that they're ill. They don't do any surgery there, surgery's done out of the Timmins and District Hospital, but people know that in the community of Iroquois Falls, once they've done their surgery, they can be transferred back into their community, they can be cared for in their community, their relatives can come and visit them, mom and dad can come and see them, or their children or family, on a regular basis, because it's not everybody who can jump in a car and drive to Timmins, 100 kilometres down the highway. Some people can't, for all kinds of reasons.

They have a system of emergency health care in that community by which if you get ill, you get a heart attack, you get in an accident or whatever, you go in to the emergency ward, you're stabilized. If you're okay, you leave; if not, they transfer you to Timmins. If you were to throw that system into the private sector, you would be very much at risk of saying a lot of the services we now provide in those communities couldn't be provided because the private sector—and it would be right in saying this—would say, "It is not profitable to offer those services, and if we can't make a buck at it, we've got to let it go."

That's the basis by which we decided as a province and we decided as a country that we would change the motives and we would change the principles of how we deliver services when it comes to the health care system. We said this is the underlying principle: It will be a publicly run system where the public, through their governments, through institutions that are run by their governments or funded through their governments, will make sure that there is a certain standard of services that are offered equally across the province of Ontario to all the citizens living within the province.

What really I object to—and I am not going to get into rhetoric because I don't think I'd keep your attention if I got into rhetoric—what really bothers me and really irks me, and I think it irks a lot of people in this province, is that you are saying, not yourself directly, you are saying as a messenger of your government and as a member of that government, because that's the corporate line—I had corporate lines in government. I'm not criticizing corporate lines; I understand that. But through the corporate lines of your government, you are saying, "We want to move to a system that has a system where the private sector plays a much larger role because the private sector can do it better."

That runs flat in the face of everything we've learned in the history of this province and everything we've learned in the history of this country. No, the private sector, quite frankly, overall cannot offer the system of health care that we have now at the cost we're doing it for. We don't have to look far to see that. You can go to the United States and you can go to other countries where private system health care is offered and the system of health care in those countries where it's run by the private sector is two to three times more expensive than what it is in a publicly funded system such as what we have in Ontario—which is, by the way, considered to be the Cadillac of systems.

That's where I really part company with the government. That's where I've got my problem. I am prepared as an opposition member to work with you. The minister would know, if I can have his attention again, that my community decided on its own to be able to close some 60 beds in a facility in my riding; namely, the chronic care unit of the Porcupine General Hospital—not a decision that I like, not a decision the people of South Porcupine like, but a decision that had to be made. I think they made it prematurely. My view is they should have held off on that a bit and tried to extend the social contract, through negotiations with their employees, and they would have been able to hold on to that entity in the community of South Porcupine, or there were a few other things they could have done. But the board made a decision and I have to respect the majority board. But I didn't go to the minister arguing: "Hey, hey, keep that open. Give them money. Spend crazy." I never did that in government and I'm not about to start doing it in opposition.

But where you're going to get an argument from me is when I hear the minister and I hear members of the government saying, "The private sector can do it better and for that fact we're going to give the private sector a

much larger role to play in it," because I think that leads to all kinds of problems.

Let me explain why. Some years ago, everybody would know that Mexico, Canada and the United States negotiated what was called the NAFTA, and in the NAFTA there is a section in there that basically says there is an exemption for public systems of social services that are offered by the state, being the province of Ontario in our case, that if the province of Ontario has a publicly funded system of health care and that publicly funded system of health care is owned and operated by the public sector—in other words, we the people contract our government to do that—that is exempted from NAFTA. In other words, no private entity in the United States, Mexico or Canada can say, "I want to move into the health care sector and you can't stop me," because the agreement with the NAFTA says that is a protected area.

But there are sections within NAFTA that basically say that if you open those systems up to the private sector, the minute that you do that it means to say everybody in all three member countries of NAFTA is able to move in. One of the difficulties that the government's going to get into, and I think ultimately we as citizens—and that's you, Peter and Toby and Doug and Lillian, and I forget the other gentleman's name, the other member; that's us—we are going, down the road, as we start to open it up for private sector competition within it, to be putting our public system of health care at risk of becoming a private system, somewhat funded by the province but eventually more funded by the users of the health care system directly.

For example—and just walk this one through—the minister made changes with your government, when coming to power, on cancelling our initiative on long-term care. He took great pride as he stood before this committee—and I understand what he was doing. I believe too that long-term care has to be changed; I'm in agreement with the minister. I don't think you do it the way you're proposing, but that's another question. But he took great pride in saying, "We're going to make changes in long-term care." I agree. He's going to go from what we had, which was about 70, 73 multi-service agencies as planned under the Long-Term Care Act to some 40, 43 community care centres or whatever they're called under your government. But the key in this here is that you're going to allow the private sector, for-profit organizations to bid on the services that will be delivered under the long-term care services.

By doing that, you are now saying the playing field has changed, and it now means to say that the minister of the crown, also because you made changes to other acts under Bill 26 in regard to—not the Regulated Health Professions Act; I forget the particular act in point, but what it does is it opens the competition to those people that are outside of the province of Ontario; namely, the United States and Mexico. So you say, as I would if I was a Conservative: "Well, that's not so bad. The United States is my friend and Mexico's my friend, and if they want to come here and do business, why should we stop them?"

They're my friends too. I travel to the United States and Mexico. I've never seen anybody there who's my

enemy. But the point is that we made a public decision, we made a decision of public policy in this province that we would fund a public system of health care that had as basic tenets the idea that (a) it would be publicly funded, (b) it would be delivered through the public sector and (c) we would offer a gamut of services that are somewhat equal for all people across the province of Ontario when it comes to access of services.

But if you allow the private sector to move in in the case of long-term care, you're opening it up for the private sector to move in and to start bidding on those particular services. What that does, quite frankly, is that it makes null and void those provisions under NAFTA. By doing that, it's sort of the opening of the gate. It's not going to be a big deal two years down the road, it's not going to be a big, huge deal three years down the road, but as the clock ticks and time moves on, you're going to find yourself, as a government, more and more handcuffed in being able to develop public policy when it comes to health care, because once they're in, you can't get rid of them. Once they're in, I won't be able to, as the next government, or you as the next government or the Liberals as the next government, if we decide, "Oops, we made a mistake here," to say, "Hold it a second, this is costing us more money than it's actually worth and it's ending up being a bad matter of public policy for the government." You can't change it.

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Mr Rollins: Why?

Mr Bisson: Because NAFTA will prevent you. I understand where you're coming from as a Conservative. I sat on the government side of the bench and when the Conservative and Liberal parties said things to me, I got upset too, but I think we really need to think, as legislators, what we're doing here.

What we're doing by virtue of the changes you've made under Bill 26, and I think the ideological changes that your government is trying to make, when it comes to the private sector in health care, you're changing the entire focus of how our health care system is funded and delivered and you're changing the whole tenet about our ability as legislators to be able to determine what's for the public good and how we will deliver that.

I think the minister needs to seriously think about that question, because it is only one example of what can happen and what will happen with time, and this might not sound like a big deal to you, but it is a big deal over the longer term.

I read trade journals to a great degree in the sector of health care, and I'm always fascinated when I read—I forget which particular one it was; I think it was in the American Medical Association journal there was a corporation, and I forget which one it was—they had written a pretty well detailed article about interviews they had with this corporation about the possibilities of business in the health care sector and in that journal it said they viewed Ontario as grey gold, because there's a whole bunch of money they figured to be made by moving into Ontario and starting to deliver health care services for seniors in this province.

I have to ask you one simple question. Are we prepared as a province to make profit the motive for running

our health care system? Profit's a great thing, nothing wrong with profit, but the question we ask is, in our health care system should profit be one of the considerations for how health care is delivered?

Mr Rollins: As long as it makes it better.

Mr Bisson: The member says, "As long as it makes it better," but I want to ask you, Doug, seriously here—profit's a great thing. Nothing wrong with profit. That makes your economy go. We all understand that. But when it comes to health care, we decided some years ago we would take the profit incentive out of health care and we would leave it strictly publicly funded because we believe that, in the end, health care is a right and is something that has to be universally accessible and something that has to be delivered by the public sector, being us the people, in order to make sure we're able to set certain standards and make sure people have equal access. But should we depart with that policy and say health care is something now that you should be allowed to make a profit with? I say no, that's not what health care is all about.

I'll come back to that and I have a series of questions I want to ask the minister on that particular question, and I'm being very cautious not to be combative with you because I think this is an important issue that the government really needs to think about. I think you're really going down a direction there that's dangerous.

The other thing is that you're saying in your corporate statement here that we heard today that you want to move to a system, and I want to make sure I've got the quote right here, you made a comment about how our system of health care is run, and what you basically said, in one way or another, is that you wanted to run this system and make it work better for patients and not necessarily for health care professionals.

You go on to say in the corporate statement that the system will be managed, that you're going to go from a system of—what's the word again? I just want to make sure I get it right, but here's the gist of it—you want to go from a system that is presently supposedly running itself out of control, that is run by health care professionals, to a system that's managed by a corporate entity called the Ministry of Health under the minister.

I say again, this is a departure from what the fundamental tenet of health care is all about. I don't want some bloody bureaucrat at the Ministry of Health telling me I can't have my appendix out or get a cancer operation because I don't meet certain criteria under the Ministry of Health. Our system of health care is driven, and rightfully so, by health care professionals, because they understand health. I don't, you don't, the minister doesn't and neither do the members of the opposition.

I want the doctors and I want the nurses and I want the health care professionals to be the ones that determine what should be the appropriate services I'm entitled to and you're entitled to and your children are entitled to and your mother's entitled to. I don't want some bloody bureaucrat saying Mrs Bisson, who needs bypass surgery, as my mother does, is not going to get it on the basis of some threshold. I'm willing to accept what the doctor says, "I don't want Mrs Bisson to get the bypass surgery

on the basis that I think the risk is too great." I think those are two totally different things.

But be careful. What your minister is telling you is that we're going to set, for the sake of finding efficiency—don't nod your head the other way. I was there. I understand because the ministry tried to push us in that direction as well. The reaction here by the ministry and the minister is that you want to set standards within the Ministry of Health that are going to say, "How do we find efficiencies?" We find efficiencies partly by how we deliver services but also by what services are appropriate, and the ministry will set standards not only about how those services should be delivered but about what services you should get.

That is walking down a path that, as legislators, we don't want to be walking down. Peter doesn't want to be remembered in the history books, or Doug or Lillian or Morley Kells, as the people that were responsible for changing the direction of health care to where we make it a system where the bureaucracy decides what is appropriate service.

If the government or the minister is prepared, in the five minutes I have left, to say, "We want to undertake changes within the Ministry of Health that are going to make our system more affordable," I'm with you. We did it for five years in government. The Liberals did it before you. As a matter of fact, our government—and I look at the deputy minister because I remember her from that time—was very aggressive in making changes in health care. We reduced the amount of beds in the system. We changed how the Ontario drug benefit program works. We did a number of things, because we recognized, as all people do, that you need to make changes. Health care is not a monolithic system that's going to stay etched in stone. It has to change. But what I want to hear from the minister, and I think what all Ontarians want to hear from the minister, as we embark on continuing the change that has started, is that we do that change on the basis of a couple of principles.

One of those principles is that the system of health care should remain in the hands of the health professionals, that it's not going to be bureaucratic decisions about who gets treatment. Sure, there's policy and regulation that you can do things in order to make it a little bit easier, and I understand there are ways that we do that now, but generally it is the health care professional who decides if I need an operation or not. It's not the ministry. That's one of the principles. The other principle is that our system of health care remains a publicly funded system delivered by public institutions. The moment we depart from that, we are going to go down a road we ain't going to be able to come back on. It's a one-way street. I want to hear the minister say he's prepared to do that.

Last but not least, as we go through the changes in the system, for example, in the area of hospitals, that we look at the adjustments that need to be made in order to compensate for the loss of staff that we're going to have as we go through changes. Because let's not kid ourselves, when we talk about efficiencies, we're talking about people. Efficiencies is not some big bureaucracy that is a function of how many paper clips we buy and

how many papers and how much we spend on VDTs that's a cost to health care. I would say 80%, 85% is salaries to doctors, to nurses, to health care professionals of all types, including people who clean hospitals, people who fix and maintain hospitals and our long-term care system etc.

If we're going to make it more efficient, it means to say we need less of those people in some cases. But we need to as a government and we need to as a Legislature say we will be considerate that those people who are displaced out of the health care system have some form of adjustment, that we minimize the layoffs through attrition and pensions, and if we need to lay people off, we continue the process that we started under the NDP government that says we will allow people to have bumping rights within a certain geographical distance, that we will have adjustment committees in order to make sure that workers are well-trained and properly counselled to go on to other jobs. That's one of the issues.

The second issue in the restructuring is that in the end it has to be a system that responds to the local needs of individuals within those communities. That's not all of it but it's in the time that I've got. If it stays publicly funded and publicly run and the minister is prepared to say, "We will go according to those needs," I'll be out there leading the charge, brothers and sisters. I'll be out there because I did it. I've been involved in health care restructuring for some time, and I understand how difficult it is. I've never, never fought openly my government and I will not fight this government openly on the need to not make change, because I think you do need to make change. But there have to be basic principles.

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In the time we were in government, my community saw a lot of changes in health care which people disagreed with initially, but because we took the time to make sure to explain to people what the premise of the change was, people accepted it. But what I'm hearing in my community now, Minister, and that's what I fear, is that people are worried that the premise of the change you're making is based on an ideological principle, not a commonsense principle. That's what we need to be able to address in this committee.

On a separate issue, again involved in health care, I just would say to the minister I made notes of all of the comments you made in your opening statement and I'll have chances to come back and ask you questions about that, but I would warn you again only about one other thing, and that's the question of the distribution of doctors.

I was one of the members of the NDP government who fought to have done what you're doing with doctors now, tying the billing number to a community. But after a while I started realizing that's also fraught with problems. There are some big difficulties. Ontario is not an island. If you say to a health care professional like a doctor, who is very mobile—they are one of the most mobile groups of people in our society, being able to pick up stakes and go almost anywhere—if I say to them, "I'm going to force you to go practise health care in community X, Y or Z," I'm telling you, they've got a lot of places they can go knocking on doors to get another job. I think it

adds to the outmigration of physicians in this province, and that's not a good use of taxpayers' dollars because it's us, you and me, the taxpayers, who are paying for their education, 80% or 90% of it.

I would warn the minister that I support and I applaud you for trying to deal with the issue—I haven't got a problem with your intent here—but I think, quite frankly, that in the approach you've taken you've made the mistake that we almost made when we were government, which is to try to find a simple solution to a very complicated problem. You went for what was the easiest thing: Tie the billing number to the community. If everybody in Canada was to do it, it would work. If the federal government did it, it would work in this country. But you can't do it in the island of one province alone.

I would ask the minister to reconsider what he's done there, because now I have physicians in my communities who are actually talking about, "Hey, I don't want to be in a system like that," and there's a lot of grumbling within the health care community, when they talk to other people who are looking at relocating into communities like mine. That doesn't add to the solution to the problem.

The \$70-an-hour fee that you're giving for sessional fee and emergency services I applaud you for. Our government wasn't prepared to pay the money for that. It's a heck of a lot of money. You made the decision, that's fine, and I applaud you. I think that's a step in the right direction. It's something I can live with, something I can support. I wish we could have done something a little bit different that was more economical, but at least it deals with it now.

But I take it that the minister won't just leave that in place for ever and a day and keep on throwing money at the problem, because I think money is not the solution here. There are all other kinds of issues that address around physicians and recruitment and retention in communities. If we were to look at the entirety of that, I think over the long term we'd be better served. I look forward, Minister, to spending some time with you, quality time like I said, when we'll be able to ask you specific questions on this and many other questions that affect us in health care.

The Chair: Mr Minister, you have 30 minutes in response.

Hon Mr Wilson: I want to thank Mr Cleary and Mr Cordiano and Mr Bisson for their comments. You raise a number of good points.

Perhaps I could address the funding issue. When we wrote the Common Sense Revolution in May 1994, the estimates book at that time shows that health care spending was at just slightly under \$17.4 billion. When we wrote the document, we were quite honest and up front and said, based on Mr Laughren's commitment at that time—I remember being in a committee room like this where he said it would be flat-lined, because we had gone through the years before of many governments having large increases in health care. They decided to flat-line it. In fact I thought Mr Laughren at that time said it might even come down 1% from about the \$17.37-billion level.

We sealed it at \$17.4 billion when we arrived in office, it's \$17.4 billion today, and it will be as we proceed

throughout the years. Savings that we find will be reinvested, and I'll talk about that, because you did raise reductions in transfers to the hospital sector, which is where we get the \$1.3-billion figure.

What you see in the estimates book before you, though, is a slight spending over, and most of it is in the form of about \$400 million. Mr Cleary mentioned the over \$400 million. That's money that, yes, was paid out, but of course, as per the terms of the social contract with physicians, it's all owed back, and we've been clawing that back at the rate of about 10% per month. So we're still at \$17.4 billion in spending, and we're spending every penny of that, and there have not been cuts to health care. I was at the Toronto Star editorial board earlier this week and they agreed that, yes, there aren't cuts.

In Mr Cleary's comments he talked about cuts in children's mental health perhaps, or long-term-care services. In fact, those have been growth areas in the ministry, and they will be as we get money out of the bricks and mortar through these restructuring projects. We are undertaking the largest hospital restructuring of its kind in North America, bar none, with the Metropolitan Toronto study. I'd ask colleagues to keep in mind that when you're faced with a study, after millions of dollars and thousands of hours of volunteer time have gone into developing those district health council studies launched by the previous government—and I think the previous government was right to launch those studies. But when you're confronted with a study like the one in Metro that says that over a four- or five-year time period you might get upwards of \$1 billion worth of administrative and bricks-and-mortar saving while keeping full access for the people of the province—in fact, improved access, less duplication and waste—I don't care whether it's the NDP or the Liberal or my party in office today: You would pursue that study. Common sense would say you would pursue that study. Mr Rae and Mrs McLeod—

Mr Bisson: We're the ones that commissioned it, for God's sake.

Hon Mr Wilson: Yes, but you didn't quite leave a plan A around on what I was supposed to do with over 30 studies that were coming in, though, and they're coming in fast and furious. And that brings us to Bill 26. So I'll say that the health care funding hasn't been cut. I'll defend that with my full integrity. The estimates will show that. And I can't—because I've answered all these questions, of course, in the House many times. I can't forgive the doctors the over \$400 million they owed us. That's social contract money. As politicians, we paid that; municipal employees paid that; teachers paid that; and all of our other broader public sector employees paid that. I think we'd have a riot, frankly, like we've never seen before by teachers and nurses and others on the front steps of the Legislature if we forgave the doctors, some of the highest-paid professionals in the province, one penny of that.

So we're at \$17.4 billion. That was our commitment; we've maintained the commitment.

Within that, though, and I said it consistently in opposition, the status quo is not an option. We all know, and now we have the district health council studies,

written at arm's length from government, not interfered with by the NDP or the Conservatives. Volunteers, district health councils, are showing us now where there is overlap, duplication and waste in their local areas. When we set up under Bill 26 the Health Services Restructuring Commission, it's not an idea that I thought up overnight, it came directly out of a paragraph in the Metropolitan Toronto District Health Council study and out of many discussions with the Ontario Hospital Association. You will note that near the end of Bill 26 there was a press release and a letter put out by the Ontario Hospital Association saying certainly they agreed with Bill 26 and the Health Services Restructuring Commission that was set up there.

Mr Cleary did ask about the timing of that. You've probably noticed in the paper this week that we were set back. It was a little difficult to find a chair. I think we've now found a chair and we'll be announcing that in the next few days.

Mr Bisson: How much are you paying him?

Hon Mr Wilson: The chair will be paid. The other commissioners—we've been told by the Ontario Hospital Association and others—

Mr Bisson: You can't do it for a buck.

Hon Mr Wilson: No, and I never said a dollar. I said the commissioners are a dollar a year, and that remains true. But in fairness to a chair who may have to spend three or four days a week with the commission, we felt we had to put some compensation. People have to eat, I guess, during that. The level of pay I'm not aware of yet, but the recommendation will come from the bureaucracy I suppose in terms of what the level of pay should be. That should be announced very shortly, and in direct response to Mr Cleary's question, it will be a very small commission. The exact number hasn't been decided, but I think my parliamentary assistant said during committee hearings it certainly isn't to be any more than about 10 people; it might be as few as six or five.

Again, the core commission should be quite small so we can get the job done, and it should set up local panels. We'll encourage it to do that, because I don't think Sudbury is going to want Toronto dictating the implementation of their district health council restructuring study.

1510

With respect to the Bill 26 hearings, I'm not going to try and provoke anyone, but I sat in this room with you gentlemen over the past five years. I never saw a minister during public hearings or clause-by-clause except for the first day, which I appeared. I never saw a minister in any of the health bills, and we had a health bill every summer I was in government. I never had a summer off. We had RHPA, we had major, major—

Mr Bisson: How about the parliamentary assistant?

Hon Mr Wilson: And parliamentary assistants were here, and our parliamentary assistants were here. Mr Wessinger and Mr O'Connor carried every bill I ever saw. I recall in my assistant's days, Ms Caplan—and when I told her this in the House the other day, she stopped heckling me. I recall when they were doing changes in the Independent Health Facilities Act, and that was travelling throughout the province, she, as Health

minister, never appeared before that committee, and I reminded her of that.

So it's unfair to new members when at times we tend to reinvent history around here. The requirement of the minister of the crown is to show up on day one to give the general statement and to monitor the hearings. Life goes on, unfortunately or fortunately, as public hearings go, and as you did, and I thank you for your kind comments, Mr Bisson; you noted that the Minister of Health is probably one of the busiest persons.

None the less, I think at the end of the day we got a pretty good bill and I would ask opposition members to tell me specifically, when you have your opportunity, what you don't like about it. All parties have indicated the willingness to proceed with hospital restructuring, and we have a commission.

We have on the physician side an expedited Medical Review Committee, which is good news for the physicians of this province. It enables them, where there's a dispute between OHIP and physicians, to have an expedited process. They're not tied up two to three years of their lives, sometimes over very small amounts. Their names won't be published at the end of the expedited process should they choose to go through that process. The fees for going through that process are lower and it's a friendlier way of settling a dispute in which, let's not fool ourselves, health provider fraud in this province is very small, and I've said that, Hansard shows that very clearly, in my remarks to Bill 26. It was not I but it was Dr Philip Berger who the next day at the press conference said the Minister of Health said that fraud was a major problem. Unfortunately, CFRB News quoted that for a day until I caught the 5 o'clock news, phoned the newsroom and said, "I'm sorry, I never said that." I downplayed it many times in my remarks knowing that would be a firestorm.

But we do have fraud. We have about \$9 million worth of recoverables, we think, if we win the cases currently in backlog before the Medical Review Committee, and again, with the expedited committee, all of the appeal processes are there. There's the appeal to the health services review board. If they don't agree after they've sat down with one of their peers—now, these aren't OHIP inspectors. You sit down with a college of physicians and surgeons' doctor and you go over the billings, and only doctors look at patient records, not the Minister of Health. This stuff, again, I frankly couldn't understand really, quite sincerely, where all this stuff came from, that the Minister of Health gets to see patient records and I'm going to go distribute them on every street corner. That's not allowed. The privacy commissioner never said that would happen. I'll get into the privacy commissioner in a moment and exactly what our discussions were there. But the fact of the matter is, we have an expedited Medical Review Committee.

We did something else great for doctors in the province. You talked about the schedule of benefits and micromanaging medicine. There are two things, and you're a big believer in the Canada Health Act—and by the way, Ontario is one of the only provinces now that's in complete conformity to the act, including the public administration requirement as one of the five principles

of the act. The fact of the matter is, there was an 18-year practice by the Ministry of Health to consult the medical profession with respect to any changes in the schedule of benefits.

The schedule of benefits, as you know, is an amendment to the Health Insurance Act. At the end of the day, under the Canada Health Act, it is up to the ministers of Health in each province to determine what is on that schedule of benefits. It's a regulation to the Health Insurance Act, which means at the end of the day, each cabinet in each province actually passes what is—you recall, Mr Bisson, that your party unilaterally delisted 19 services from that through a regulation through cabinet. So when there was this big discussion about Jim Wilson's going to determine what's medically necessary, I said, "Yes, that is what we do," but in bill 26 we codified an 18-year practice, which was a courtesy practice to simply consult. We are now required in law to consult with physicians about any changes that will occur to the schedule of benefits. That's good news, certainly not micromanagement. It's codifying in law a courtesy practice and it's a safeguard, really, for patients who don't want politicians—I'm a layperson, I'm not a doctor. They don't want politicians to come between them and their doctor or their other health care providers. Certainly that's good news.

We could talk about the independent health facilities, of which we have over 1,000 of them—almost 1,100, over 1,100, excuse me—in the province, and about profit and Americanization and private sector.

First of all, I'd say most of those are owned by physicians or other individuals. I don't think they're doing it out of the good of their heart. I don't think they're charities. They're businesses. They're diagnostic, X-ray clinics, dialysis clinics. There are over 1,100 of them already in the province. We'll be adding a few more with dialysis. We're doing it in a more competitive way, though. We're saying highest quality, best price. The private sector is clearly involved in health care in this province. Those are private sector docs that own these independent health facilities in many, many, many cases.

Mr Bisson, the reason we changed and went to a more tendering focus under independent health facilities is a couple of things. When I did the tender for dialysis in my riding, after all of us fought so hard for that, I was surprised how difficult the law was. It's not like a simple tender. We're all familiar if a municipality goes to buy a dump truck, you simply put the tender out with all of your quality specifications and price expectations and all of that. You wait for the highest quality, best price to come in, if that's the way you're doing the tender. You open the envelopes at a meeting of council and they win. Well, not under the way the Independent Health Facilities Act was set up. It was a convoluted process. I, to this day, can't explain, when I made that announcement well before Christmas and the tenders came in January, why today in my riding I still have not, or in the other nine areas that we've announced, got dialysis clinics up. We were held up by the law and Bill 26 streamlined the law.

I couldn't tell you whether the over 1,100 facilities today are owned wholly by Canadians. The old law simply—you set up a shop. Your former deputy minister

is a representative of an American health care company in Toronto here. Under the law, you would simply set up a shop, and you're a lawyer, Mr Cordiano, you know—oh, I thought you were. I'm sorry. I don't know whether it's an insult or not. But you simply declared yourself an Ontario corporation and then you applied to become an independent health facility.

The Premier got into this early on in saying, "I guess we could pass a law that we have to check the passports of everyone that applies to become an Ontario corporation to do something in this province," but I suspect that would be very, very difficult. I don't know where the money comes from for backing these things and I have no way of checking. In the global marketplace, it could come from anywhere. I know the money that is paid out in probably RRSP plans comes from all over the world in this day and age. So to say we're Americanizing it, in fact, under Bill 26 now, if we wanted to, we can do pretty well whatever is the will of Parliament in terms of tendering now. If we want to say that only certain people, whether it be Ontario residents, for example, can own an independent health facility or bid on this particular tender, we could do that. You'd want a very good reason why you were doing that, by the way. We could restrict it to Canadian citizenship, we could restrict it any old which way, the way Bill 26 cleaned up the Independent Health Facilities Act.

What else is in Bill 26? Physician services we've talked about. I should mention, because Mr Bisson—and I thank you for your comments about the billing privileges restrictions that could be invoked under Bill 26. First of all, during the process of Bill 26, I was on the road. The Liberal Party, I believe, has an FOI request for all the people I met with during that process. The last I looked at it, we were up to nine solid pages of people and groups, and we're still typing that, for those four or five weeks during that process.

In this very room, I met with well over, believe it or not, 100 Jewish physicians just prior to the introduction of Bill 26. I got a standing ovation at the end of that when I sorted out the fact from fiction. The day before Bill 26 was voted on, I was at the University of Western Ontario in London, where the annual meeting of all of the undergraduate medical students in the province was taking place, and I was the guest speaker for two hours. I explained to those people, who are more affected than you and I are, frankly, by the physician provisions in Bill 26, exactly what that was. At the end of that, they were very appreciative. I've had a number of letters come into the office since, saying, "Thank you for explaining it."

1520

There is some, and your point is well taken. It is the reason I told them that day. I made the announcement. It didn't go very far in the media, but I made the announcement that we would not invoke in 1996 the billing number restrictions because I'd made a couple of commitments; that is, to listen to the OMA, who this week finally made somewhat public—and I guess are going to make more public next week once it goes to their council—Dr Wendy Graham's report on primary care, which is one of well over a dozen reports we have at the ministry, I think 19 at last count, on good ideas on how

to reform primary care. I touched upon some of those in my remarks, and we can talk about that.

We won't have to do billing number restrictions or privilege restrictions, as four other provinces have done, if we can move on primary care: group practices, capitated models—whatever will work. I think till the day I die there will continue to be fee-for-service in a number of different models throughout the province.

For instance, I saw Michael Decter on TV last night on Studio 2, and he made a very good point. For the rest of his life anyway, he was saying, "I can see that general surgeons will probably always be on fee-for-service, because we need them to do a volume-driven system." We may have a hybrid, and Dr Graham's report talks about a hybrid payment.

Other provinces have had to restrict where their doctors practise. In St John's, for example, when you go into that province to practise, you're not allowed to get a billing number in St John's until you've served a number of years outside of St John's. In New Brunswick, for example, they say, "Town X needs four doctors," and like every other profession in the world that I know of, that means there are four jobs in town X and doctors go and apply for the four jobs, like an engineer would or a teacher would.

What we did makes a lot of sense, but it does represent some change for the way physicians normally have been allowed to proceed. We've grandfathered all the physicians in the province. We gave them a raise. I can't think of any other sector where, in Mr Eves's statements since coming to office, we've actually added money, and I thank you for your comments about adding money to implement the \$70-an-hour on-call fee.

We have said to PAIRO, the interns and residents association, that we're waiting for their ideas. They're going up to do their 70-community northern tour, and when they come back we have time and we will see if they have ideas to add to what OMA has on the table now in terms of primary care reform and in terms of physician distribution.

We are trying to put together an enhanced underserved area program, though we'll probably come up with a new term for it. We want to recognize that in some areas, in remote areas, that is a greater challenge and that a straight fee-for-service, the same fee they might get in Toronto, needs to be beefed up in some of those areas. We're trying to do it through an incentive-based approach. Once you explain that to physicians and have the opportunity to fully explain it to them, it's very good.

David Turnbull's doctors, yes, the meeting got cancelled by the school board. I didn't know it was cancelled until 4 o'clock the day before. My EA phoned me at home—

Mr Bisson: Cancelled by the school board?

Hon Mr Wilson: For public safety reasons. But I did meet with those doctors the following week, 12 of those doctors, and I've had three letters back, which I've read and were very kind. In fact, one of them wants to be on the Health Services Restructuring Commission or any other appointment I might have available, and this is a fellow who was giving Mr Turnbull a very hard time, very angry at what he thought our government was doing.

He told me I was bankrupting him. I said: "How can I be bankrupting you? We've not cut health care. Your fees are the same today as ever. I'm not bankrupting you. Yes, you have to pay your social contract. Everybody else did too."

Mr Cleary, I do apologize. I'm going strictly off the top of my head, but we've asked the staff to try and track down—I know I've signed at least three letters to you in the last two or three weeks. I know the topics well. I read all of my mail. The one you refer to we've made note of and we'll have to find it. We may well have the answer before we're done today. I apologize, because I thought I was pretty well up to date on the mail.

We have about a 30-day turnaround. I used to work for the federal government at National Defence and Health and Welfare, and 30 days would be a miracle. I still have letters that the previous government never responded to, as you do, Mr Cleary. We have a professional civil service, and they have not told me who had the sticky fingers and took my letters, but I never got a response.

Mr Bisson: In the last couple of months there weren't very many letters.

Hon Mr Wilson: There was lots of mail.

The privacy commissioner—I should tell you that we have made a commitment. A couple of things disturbed me about that. The day the privacy commissioner wrote the letter to me—my father delivered the Queen's mail in part of my riding for many years, and as children we were taught it's a criminal offence to open the Queen's mail. It's sacred. I told him when he walked into my office to discuss this, after we've had many discussions about health cards: "I just came from the Legislature, and people have my mail, which hasn't even arrived at my office yet. Elinor Caplan had a copy. What about my privacy?" That was point number one that disturbed me.

Second, apparently he was at your government, the Liberal government since 1989, and now my government. He would like a comprehensive health privacy act. He didn't tell me that at the meetings I had with them. He told the media that, which was rather unfair. I said to him at the meeting: "I'd rather deal with the auditor. At least the auditor gives you three or four months of: 'Here's what's wrong with your books or the program or the spending. Correct it.'" If you don't correct it, then you're embarrassed with the public auditor's report.

I have said publicly to people that I had a real frustration with the way that was done. Having done that, though, I've calmed down and said, "We will work together this year on a comprehensive piece of health care privacy legislation." It's my understanding that the commissioner is quite pleased, or at least content, with the final version of Bill 26 and that he was making a bigger point beyond Bill 26. He took Bill 26, in my opinion, that opportunity, to bring forward this yearning he's had for comprehensive legislation.

The fact of the matter is, we probably will need more privacy legislation as we move towards improving our databases, getting fraud out of the system and implementing some sort of smart information technology so we can, as you've heard me say many times, get the health care system up to the level of Visa or MasterCard where we actually can see the interactions going on on a timely

basis in the system. We can sort of do it now. But we spend a great deal of money and Dr David Naylor spends a great deal of time at the Institute for Clinical Evaluative Sciences at Sunnybrook giving us a snapshot. You remember he did the atlas a couple of years ago, and that was the first snapshot of the health care system we've seen. That was a manual search through hospital records etc to find out how many hips were being done in Sudbury versus London, and how many Caesareans were being done and how they were being done. Our health information system should allow us to do that.

Saskatchewan's ahead of us in this. The Health minister there, with a few glitches, in partnership with the Royal Bank, has a fairly comprehensive system. In fact, he was bragging to me just before Christmas that he can tell you what's happening in his health care system almost on a daily basis, which we can't do.

I must be near the end of my time.

The Chair: Five minutes.

Hon Mr Wilson: With \$17.4 billion, no party is arguing that we need to spend more on health care. That is an obscene amount of money to spend on health care in this province on a per capita basis. Nationally, Canada is second only to the US. We have to focus more on, what are we getting for that \$17.4 billion? By the way, the \$17.4 billion is only what OHIP is spending. Another \$9 billion is spent by the private sector. If Mr Bisson were here while I'm on the private sector—if you want to know the real growth in private sector involvement in health care, it's these rehab centres that came as the result of no-fault insurance. They're in almost every shopping mall now.

Mr Cordiano: Now you're opening up a can of worms.

Hon Mr Wilson: No, but we had a real growth in private sector involvement. There is another \$9 billion spent on top of the \$17.4 billion. Add that together and on a per capita basis we're right up there in the world in terms of our spending. Very few jurisdictions that we can think of would spend more than we do on a per-person basis.

We're trying to move the system towards outcomes: What are we getting for that money? Why do we have over 70 communities without enough physicians? Why do we still have measles in Ontario when it's been wiped out of Latin America, Brazil and other countries? They're way ahead of us. They've been doing the double inoculations for years. Why didn't we spend that money earlier? It's planning. We need to focus on outcomes. What are we getting for the dollars we're spending? That's where we're moving the system.

I'm not sure what else, Mr Chairman. I've covered almost everything, in a very broad sense.

The private sector, by the way, delivers just under 50% of the homemaking services in this province—has for a number of years. I would say to Mr Bisson, what do you want me to do? Fire all those homemakers who work for sometimes mom-and-pop shops sometimes, deliver the homemaking, make the noon meals, clean the tubs etc in our homes?

We are in full compliance with the Canada Health Act, which is public administration, comprehensiveness. They

aren't user fees. I know it's an argument, and we'll have to agree to disagree, but that argument is not being made in other provinces. The other nine provinces have copayments on the drug plan.

Mr Cordiano, I won't say this to be too political, but your party brought in a lot of copayments during your time. The first regulatory change the NDP made when they came to office was to increase the non-emergency ambulance transfer. We're up to about \$268 for the transfer, which people pay. That's a copayment, no choice: If you go on a non-emergency transfer you pay. For an emergency transfer you pay \$45. There was \$150 million brought in under Bill 173 in long-term-care copayments.

Yes, we all made arguments about user fees in those days, but I wasn't as knowledgeable about the Canada Health Act. The Canada Health Act protects insured services in hospitals and done by doctors. In fact, there is a debate, as you know, that perhaps we should modernize the act one way or the other because so much of what we do in terms of long-term-care services etc is not covered under that act or under any type of comprehensive legislation that the federal government may direct.

I'd also remind you that I really did have to sustain and make affordable the drug plan. It's a \$1.2-million program. I'm going to take a \$400-million hit in just a few weeks, and a \$2.2-billion hit in education and social services and health care over the next two years—most of that's health care—by everybody paying a little bit. We did net savings of \$225 million and we reinvested \$45 million to expand the base by 140,000 working poor for the Trillium drug plan. Today, with lowering the deductible for that, for which I give the NDP full credit—it was \$500, and some people couldn't afford the first \$500 in drugs. They weren't on welfare and they weren't over age 65; they're what we call the working poor. It's now a \$350 deductible, and people in this province shouldn't have to pay any more than \$350, in the worst-case scenarios, for their drugs in this province. That's a pretty generous plan, an expanded plan, and it allows us to keep it; it also will free up some dollars to bring some new drugs on.

You go to a seniors' residence in your riding—I did it two Fridays ago—and ask how many are paying 100% for certain cardiac drugs etc now. They've not been allowed to come on the ODB because the government in the last few years hasn't been able to add anything much to the drug plan because the plan was becoming quite unaffordable.

The previous government's approach was to delist 250 drugs. Those are 100% copayments now, or whatever you want to call them, and people can't get those drugs that might have been on it. Some of them, I agree, should never have been on in the first place. But we said, and I made a firm commitment as the opposition Health critic, that we weren't going to do a massive delisting of drugs, that we'd be more honest and up front, have everybody pay a little bit, sustain the program, absorb the federal government cuts. We're not pointing fingers at Ottawa, but we do point out that we have to make our programs sustainable and affordable or we won't have the programs.

The Chair: Thank you, Mr Minister. You have about 13 more hours for anything you missed. Just one quick comment. I, as the Minister of Housing, attended public hearings for five weeks up to clause-by-clause.

Hon Mr Wilson: You're a great guy.

The Chair: No. I just wanted make sure that the new members, as you say, don't go away feeling—

Mr Cordiano: I was about to point that out, because I was on the same committee with you.

Hon Mr Wilson: And you bent the system. You people like sitting in the House.

The Chair: Yes, I like sitting in the House to make sure democracy rules. We will take a 10-minute break.

The committee recessed from 1534 to 1550.

The Chair: Let's resume. I understand that the NDP would like to go first.

Mr Bisson: For a change, you know. We like to go first, yes.

The Chair: This rotation, and then does it come back to—

Mr Bisson: Yes.

The Chair: Then we go back there for 30 minutes. We better make that the understanding. Do we have unanimous consent that we have 20-minute rounds? Mr Bisson, 20 minutes.

Mr Bisson: Thank you very much, Mr Curling. I have 20 minutes, I understand, so, Minister, I have a bit of a difficulty here, because you've been in estimates with me for a long time in your former role in opposition—one that I hope you will soon be repeating—but there are not a lot of ministry staff here. On the one side of me, I say, "Well, that's kind of great, because those people have lots of work to do and we like to see them working hard for us in the ministry." But there are some questions that I want to ask and I'm not sure that any one person can do all the answering of my questions. So some of what I'm going to ask, if you don't know the answer, please tell me so, but I'd like to get that information back in writing at least, because there's some stuff that I'd like to have.

Okay, the first question. Actually, this is a comment that'll lead to a question. One of the comments that you made as minister is you're saying there's been an illusion built that there's a lot of health care fraud within the system. I'm pleased to see that at least as minister you're changing your tack a little bit and starting to recognize that the fraud is not as rampant as some people would make it out to be. I remember in opposition where the Conservative Party would call on our government and Frances Lankin and then Ruth Grier, ministers of Health, to move on this humongous problem of health care fraud because if we saved that there would just be billions of dollars. I think you're beginning to realize, although there are some problems, it's not as widespread as we would make it out to be.

My only comment is about the issue of the doctor who charged the \$2,000, supposedly, for an operation in his living room. The question I have for you simply is this: Of the total amount of billings you would have to pay out as a ministry to doctors for services provided, what would be your estimation on the percentage of cases of fraudulent things, such as what we've seen, that way, way

out scenario, somebody trying to bill for an operation done in their living room? Would you say that's a remote possibility, at the very least?

Hon Mr Wilson: Would you like an answer?

Mr Bisson: Yes. We're going to do one question at a time.

Hon Mr Wilson: Well, there are two types of fraud that we're talking about. Bill 26 dealt with provider fraud, and that's where I said that it's a small problem. If we add up our cases, if we won them all tomorrow, the backlog before the Medical Review Committee now—we also have practitioner review committees for chiropractors and that, but the Medical Review Committee of the College of Physicians and Surgeons—there's about \$9 million there.

Mr Bisson: What is the total billings of doctors they charge to OHIP per year?

Hon Mr Wilson: Just under \$3.8 billion.

Mr Bisson: So \$9 million out of \$3.8 billion.

Hon Mr Wilson: The problem is, I laid those figures out, and that's why I don't know how the media said it's a huge problem. I mean, mathematics tells you that it's a small problem. But it's a problem, and you have to have—well, you'd appreciate that—safeguards in place.

Now, the doctor who was making the point by billing up to \$2,000 for the heart-lung transplant in his living room really made the point for Bill 26, that you have to be able to collect that money.

For example, if that doctor hadn't told us—now, he put the money in escrow or in trust with his lawyer and he was just making a point. But if he hadn't told us, we would have great difficulty—your government and the Liberal government had great difficulty—actually collecting that money. In some cases, we have reason to believe that some doctors went to the States and still owed OHIP money, and, you know, if you were any other institution, you'd chase that down. The law actually said that if they didn't comply, it was very, very difficult to get the money back from them. Bill 26 does streamline that a little bit.

In terms of consumer fraud, I have no other basis to go on other than your government's report, which indicated a minimum of \$250 million, and an extrapolation at that time of up to \$600 million. As far as I know, to this day, that's still the range we're looking at, although we certainly hope to improve on that. The ministry officials are staring at me because they hate that, but we have no evidence one way or the other.

Mr Bisson: Okay. You're going down the path of another question I'll ask you in another vein.

Hon Mr Wilson: Oh, sorry. The deputy's correcting me.

Mr Bisson: On the question of the system fraud—

Hon Mr Wilson: Could I correct the record? There's \$65 million, we settled on, as the NDP's figure on consumer fraud, or possible fraud. My party settled on the \$250 million, which came out of that report that Dave Cooke, as acting Health minister, handed out in the hallway one day. And the media, and I, as opposition critic, extrapolated that it could be up to \$600 million, given the requirements. We really don't know, and that's why we need a good information system.

Mr Bisson: The point I'm trying to make here, Minister, is just simply that we all can agree that we need to make sure that the system is as free of fraud as possible. That's not the argument here. I think our government, as well as your government, are very serious about trying to deal with that and we deal with that in our own ways.

But the point I'm trying to make here is that I think it's important for the minister of the crown who is responsible for health care expenditures in this province to put on the record that the professionals who are employed in the system, by majority, huge majority, are honest people who are not trying to defraud the system and that in effect the amount of fraud that is conducted by that sector of the population that is employed in the health care sector really doesn't amount to a whole bunch of money. That's all I was looking for, and you've done that and I appreciate that.

The question of fraud on the part of individuals: Again, there is some. It's not as big as people make it out to be, but we'll come back to that in a little while.

Okay. We talked about the Independent Health Facilities Act, and there's some thousand or 1,100 different facilities out there that are licensed by the Ministry of Health to carry out services that sometimes are carried out by the public sector but are being carried out by private sector deliverers. I guess the question I have for you is that of the 1,100 independent health facilities out there that you alluded to a little while ago, are all those 1,100 operated by private sector entities of one form or another or is that a mix of the 1,100; some of them are private, some of them are public?

Hon Mr Wilson: Well, technically—the deputy says it's a mix. We tried to take an inventory of them in Bill 26 because of all the stories that were going on in the media and that sort of thing, and it's a difficult thing. Now, the for-profit ones were grandfathered by the Liberals when they brought in the act in 1989. So there's a whole pile of for-profit ones that were grandfathered that are still providing.

Mr Bisson: I'm being very non-combative and trying to be of—you have to help me here.

Hon Mr Wilson: I'm saying at this point there's a mix of for-profit, so private, and not-for-profit out there.

Mr Bisson: Just help me, because I've only got 20 minutes to do this and there's a number of questions I want to get out. I realize there's an urge on the part of the Minister to give me long explanations in order to kill the clock, but I'd appreciate if you wouldn't do that in my 20 minutes at this point.

So the answer to my question is it is a mix. Of the 1,100, part of them are in the private sector, part are in the public sector. You've partly answered the second part of my question, which is, does the ministry have a good handle about who are these people who are licensed, like the names of all these independent health facilities, number one, and there are a couple of other questions coming out of there. Do you know who they are, the names?

Hon Mr Wilson: Yes. There was a process to get the licence and we certainly know who they are.

Mr Bisson: Okay. Would you also know as minister, or are you able to get as minister, if those entities are either private sector or public sector? Could you get that information?

Hon Mr Wilson: It depends on your definition, and this goes into your NAFTA thing too, which you probably won't let me explain. But if you're a doctor and you're running an X-ray independent health facility—

Mr Bisson: I'd call that private.

Hon Mr Wilson: Okay, then there's a whole pile of those, like the vast majority. So it's probably the vast majority of private sector—

Mr Bisson: Okay. What I would like you to provide me with then for the committee, but also if you can get it in writing: if possible—you would know as the minister because you would have had to license these places—the names of all the independent health facilities out there. You should be able to get us a list of that. I see a nod to the affirmative. That's good.

The second thing you should be able to tell us is, which one of those operate on a not-for-profit basis? In other words, I don't need to know if they're private sector or whatever. Just tell me which ones are run on a not-for-profit basis.

And the last thing I would like to know: Is the ministry able to provide us with when they were licensed?

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Hon Mr Wilson: What you'll have to do, though, is give me a definition of not-for-profit.

Mr Bisson: My definition of not-for-profit would be—

Hon Mr Wilson: Well, are they doing it for charity, the ones that are so-called not-for-profit? I doubt it. They're probably taking a salary out of it. They're probably taking a profit out of it.

Mr Bisson: If they run, for example, a not-for-profit—

Hon Mr Wilson: They're taking a markup on the service.

Mr Bisson: Pardon me?

Hon Mr Wilson: They're taking a markup on the service or they wouldn't be doing it.

Mr Bisson: What I would call a not-for-profit is somebody who is out there operating it on the basis of: "This is not primarily as a source of income. This is as providing a service for a targeted group of people or providing a service in the community on the basis of a not-for-profit corporation."

Hon Mr Wilson: Okay. As you know, in the facility—unlike Alberta, for example, where the dispute is with the feds—an independent health facility, the professional fees are covered by the government and the overhead costs and all the services are insured services within those facilities. They're covered under the Canada Health Act. That's the problem: What is the definition of not-for-profit?

Mr Bisson: Can you at least take a best—

Hon Mr Wilson: Do you want me to spend eight hours a day there for free?

Mr Bisson: The ministry would have this information on record, because you're paying these people money.

Hon Mr Wilson: But we don't have a definition, and that was the debate in Bill 26.

Mr Bisson: All right, as best you could, here's what I'm asking—

Hon Mr Wilson: Nobody has a definition of not-for-profit. You people have used that term for 25 years, but I don't know what it means.

Mr Bisson: Let me make your job real simple. As best you can, could you provide us with a list of who are the independent health facilities out there that are operating; when they were licensed is what I would like to know specifically; and the last part, if you can take the best attempt that you can at trying to peg which ones are operating on a not-for-profit basis as best you can define it. All right? Just do the best you can, if you can provide it, because I don't think you can give that to me today here in committee. You'd have to go back and get that.

Here's a question you can answer me directly as the minister: When does the appointment of the privacy commissioner come due? Do you know?

Hon Mr Wilson: No. I don't know. I don't know how long his term is.

Mr Bisson: All right. If you can check and let us know the next—

Hon Mr Wilson: I'm pretty sure we didn't appoint him.

Mr Bisson: Oh, I can tell you we didn't appoint him either. It was them guys.

Hon Mr Wilson: I will check.

Mr Bisson: I say that with a certain amount of humour. I remember I had to have a little bit of humour injected, I had to laugh a little bit, when you were alluding to your discussion with the privacy commissioner, because I know he is very—anyway, I'm not going to get into that. My question to you is, does the government plan on reappointing the privacy commissioner?

Hon Mr Wilson: I have no idea. It certainly wouldn't be any decision that I would be making or in my jurisdiction.

Mr Bisson: Let me tell you where I'm somewhat concerned. Under Bill 26, the privacy commissioner was satisfied that people's personal records would not be looked into because you planned on working with the privacy commissioner in order to make sure that such a practice doesn't occur. And I can understand that. That all sounds fair and good.

But the problem is, and I'm going to be a little bit crass here, if you were to appoint one of your friends who has the same ideological bent as you and that person then becomes the new privacy commissioner, I am somewhat worried about the safeguard we now have with our present privacy commissioner, who feels very strongly about that issue. The new one may not feel so strongly and maybe the public interest will not be properly served. So that's where I'm coming from here.

Hon Mr Wilson: Bill 26 doesn't leave it up to either the privacy commissioner's opinion or my opinion as to whether information is protected. It is protected by the law itself—and neither of us has any choice in that matter; that's been passed by Parliament—and we are both satisfied that the privacy acts of this province are supreme and that Bill 26 in no way overrides the privacy of individuals in the province.

With respect to the issue—I'm splitting the issue on you—I've made a commitment as Minister of Health to work with the privacy commissioner to put together a comprehensive piece of privacy legislation for health care. We will be working on that throughout 1996.

Mr Bisson: But you stopped short in your legislation under Bill 26. I'm not going to spend a whole bunch of time on this, but in Bill 26 you stopped sort of where the commissioner would have liked to have seen you go, which is to put safeguards in the legislation itself. Many of the safeguards now are in the regulations, and you have committed that you are going to be working with the privacy commissioner in order to come up with those regulations. You know as well as I do that it doesn't take an act of the Legislature to change a regulation. It's up to you and it's up to the cabinet to decide what those regulations are, so I'm just saying—

Hon Mr Wilson: Mr Bisson, I think, with all due respect, it's important not to undermine the integrity of either the current commissioner or the future one. I mean, one would expect that any government would appoint a very good person. The person is at arm's length from the government, once appointed, and they will do their job to the best of their ability.

Mr Bisson: Again, not to be combative, I've seen some of your appointments and I'm a little bit fearful that if you carry on the practice that you've had with some of your appointments, we're going to be in deep doo-doo, as my friend over here said a little while ago, down the road. I see people like Evelyn Dodds going to the Social Assistance Review Board, supposedly making decisions in a non-partisan way about people's lives through social assistance. Well, that's like putting Atilla the Hun in charge of the nursery, to be quite blunt. I'm just saying that I much prefer having a system—and Evelyn is a fellow northerner and we don't come from the political ilk, but you know where I'm coming from.

The problem I have is that you didn't go as far in the legislation as I would have liked to have seen you go to protect and safeguard the access of information when it comes to investigation of cases of fraud. If we leave it just up to regulation, if we leave it up to the commissioner to be the watchdog, I think we can end up in a bit of a—so what I would ask you is, are you prepared, in order to ensure those safeguards, to tell this committee that you plan on revisiting that issue and trying to take out of the regulations those components and put them back into some piece of legislation?

Hon Mr Wilson: The commitment with respect to regulations—you're right, that specifically came out of the discussion at committee around Bill 26—is to work with the privacy commissioner. I'm assuming it's Mr Wright, who is the commissioner now, because many of those regulations will be done very soon, or as soon as possible; he's the commissioner and we've made a commitment to work on those regulations. But keep in mind again—you know how laws are—it's very clear in the law that privacy of individuals is protected. The regulations have to do more with putting some meat on those bones, but the principle is there and you can't violate it unless you go back to Parliament and change the law.

Mr Bisson: The short answer is no. I have some concerns, as you had when you were in opposition. I think my concerns are legitimate and I would have much rather seen that in legislation. I think that opens quite the precedent.

The other question I'd like to ask you is around the question of the user fee on drugs that seniors and people on social assistance will now have to pay as of very shortly, I think April 1 or whatever the date is. Has the ministry determined how much money it will cost you to administer those user fees, each and every one of them, on average?

Hon Mr Wilson: The deputy will correct me, but in our workup of the new program it was \$8 million or \$9 million, maybe up to \$10 million in startup; and the ongoing year-to-year costs, I don't know, but they're reflected in 1996-97. It's within the ODB budget, the administrative budget right now, our drug programs branch. I don't think we're looking for a huge increase. Remember, we do have to ensure that eligible people are entered on the database properly, and that does require some money. I think it was up to about \$10 million in startup costs.

Mr Bisson: What I'm saying is that you now know, because you have the stats, how many prescriptions were purchased last year in the province of Ontario. You would know that.

Hon Mr Wilson: Yes, 42 million go through the ODB each year, about that.

Mr Bisson: So 42 million prescriptions for a cost of about \$8 million to \$9 million you figure it will cost you to administer the user fee.

Hon Mr Wilson: No, sorry. It's \$1.3 billion for 1.2 million people.

Mr Bisson: No, no. I think we're getting our numbers—

Hon Mr Wilson: The cost is \$1.3 billion.

Mr Bisson: No, I know the cost very well. The question I'm asking is, how many prescriptions were paid?

Hon Mr Wilson: It was 42 million prescriptions.

Mr Bisson: And you figure it's going to cost you to administer the user fee about \$8 million to \$9 million a year.

Hon Mr Wilson: I'll let the deputy answer, but when we were bringing this through the government process we identified upwards to about \$10 million, I think, in terms of startup costs, which I thought was fairly reasonable given that we're dealing with 1.2 million people and we want to make sure we get the information right so that we don't have a lot of angry seniors.

Mr Bisson: Could the deputy give me an idea if you've broken down what the per-prescription cost would be?

Ms Margaret Mottershead: We don't have that broken down quite that way, but I just want to make a couple of comments. One is that the \$10-million range that the minister mentioned does include two components. It does deal with the ODB changes, but again, the government has committed to easing the burden on the Trillium drug program recipients, investing \$45 million, and there have to be program changes there as well,

system changes to that program as well as to the ODB. So there are startup costs for both programs, up to about \$10 million, and then we anticipate that to run it on an annual basis will be about half a million dollars against the 42-million-odd claims.

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Mr Bisson: So you figure it will cost you \$500,000 to run the administration of the user fee?

Hon Mr Wilson: Don't forget, the Greenshield computer system's already in place. Your government put that in and it's done a pretty good job actually of catching duplicate prescriptions in all of our pharmacies. So all of that investment actually was made by your government.

Mr Bisson: So about \$500,000. Does that take into account the costs of the pharmacist as well, his costs or her costs of administration?

Ms Mottershead: No.

Mr Bisson: Just the government. Boy, I've got three minutes and I've got a whole whack of questions here.

Again on the same issue, we know this is not a big revenue-generating scheme here. At first, the \$2 per prescription ain't going to get you a whole bunch of money. It might be that your user fee will be increased over time. We'll come back and look at that. The question I'm asking you this year is that we know, for example, that a lot of seniors, especially on the lower-income scales, really are going to have some difficulty coming up with the money, if they have multiple prescriptions, to go out and pay the user fee. Has your ministry looked at all at what that is going to cost us in real dollars when it comes to the added cost of health care in regard to seniors who may not be taking their medication because of the user fee? Have you taken that into account?

Hon Mr Wilson: We want well-informed seniors. If a doctor is prescribing three or four or five prescriptions and the senior is paying \$2 each, we expect that the senior may ask, "Do I need all of these drugs?" That would be good for the system. But we don't expect and we have no evidence—no one's arguing strongly with evidence anyway—that it will be a deterrent in terms of seniors not getting their drugs. Don't forget, our emergency rooms are open also. If someone felt they couldn't afford the \$2, they could always walk into the emergency room, as they do now.

Mr Bisson: That's 700 bucks an hour.

Hon Mr Wilson: But I don't expect we'll see that. You did hear on Bill 26 too a number of seniors' groups, including some very large ones, saying, "We think it's quite reasonable, that whole approach." The seniors in my riding—

Mr Bisson: I think I'm out of time. I want to thank the minister for this day of questioning. I think now it goes back to my Liberal colleagues.

The Acting Chair (Mr Peter Preston): The Liberals have 20 minutes.

Mr Cleary: We want to share our time, because we each have a lot of things to put on.

I want to thank the minister. Many of the explanations that he has given have answered some of the questions. I know you've got a very important ministry and we

never know who may use it tonight. I think all parties have got to work together to keep it as good as it is. I know it's going to be quite a problem. I was pleased at the way he answered some of the questions. He's one of the ministers who has come before us who didn't have to consult with everybody else before he answered the questions, and in the consultation process.

I just want to give you a few incidents, and you don't have to answer them now if you don't like them, but they're some things that we're all facing in our parts of Ontario.

I have a couple who are struggling along at their home with the help of a homemaker, and their funding has been cut back from 15 to eight and a half hours. The lady in that particular case is a quadriplegic and he's a heart attack victim. He has been into our office—I think I wrote you a letter on this—and he thinks they may have to look at a nursing home. It will not be any cheaper for the province because in these particular cases the province will have to contribute more.

Then there's the waiting list for knee surgery, people in pain having to wait for six to eight months.

I don't have the answers on these and I would hope someone would help me on these.

The cutbacks in health care: Our local hospitals have no idea what direction they're going in. They haven't been told yet how much they would be cut back and they're trying to work together to plan.

The other thing that concerns me, I was on the cancer task force there. With cancer, which hasn't peaked yet, and the AIDS epidemic, which I don't think has peaked yet, and cardiac care, which you have almost addressed, I'm just wondering, you had said that you're going to take within the system to cover some of these things, and I'm just concerned about how you're going to do it. The other thing is chronic fatigue.

I guess that we'll get around to that shortly. You're not as bad as the former government. They were September 2, 1994, and you're only August 8, 1995. So up till now you're better than they were.

The other thing is the lab services. As I kind of said earlier, if hospitals were allowed to bill OHIP for work on the same terms as Hospitals In-Common Laboratory at only 75% of what the private lab charges and were successful in attracting only 50% of the work currently performed by private labs in Ontario, it said there would be a saving. Now that's just what was presented to me, and I don't have the answer to that.

Children's mental health: I heard the speculation that children's mental health services will be moved from Health to the Ministry of Community and Social Services. I'd just like to know if you can confirm that or deny it.

Hon Mr Wilson: Can I do that now?

Mr Cleary: Sure.

Hon Mr Wilson: Very, very quickly, the homemaker situation that you mention, Mr Cleary, you did bring that to our attention, and I'm sorry, but the best answer I can continue to give you, as I said in the letter to you, as I recall, is to work with the local manager of the services there. Unfortunately, or fortunately, depending on how you look at it, we really are doing the best we can. We don't have 24-hour nursing or homemaking services on

an ongoing basis in the province, and probably never will, except in those very urgent cases usually right after discharge and usually for a very short period of time. I don't think the state could ever afford that, but we do have a very generous program, much more so than many other jurisdictions in Canada.

Knee surgery and the waiting lists: We did recently make a bit of an investment in that, and I hope that we can shorten those waiting lists. There's more to be done there, though. I think all of us know of constituents who are on pretty lengthy waiting lists there.

Hospital numbers: That'll be announced very soon. As you know, it's the first time government hasn't done an across-the-board cut. The Finance minister has said on average this year's cut will be 5%, or \$365 million, out of the hospital system. Again, we're going to need that money.

Just a couple of quick examples: If we're to do the restructuring in Windsor, they need several million dollars to kickstart that restructuring, to do the redevelopment of the buildings they'll be consolidating their services in. Metro Toronto's going to need several million dollars. So we're trying, where we can, to take money out of the administrative side and reinvest that money to kickstart both the hospital restructurings that will occur over the next few years and also investments in community-based services.

All of those district health council reports tell us where the savings should go. Metro Toronto says about \$75 million would have to go into community-based services or you can't restructure the hospital side. So they've been trying to think it through. We do have some questions, and the commission will ask them, I hope, some questions, about mental health services. I don't think that's been fully addressed in the Metro study. They're working on that.

Children's mental health services: We are reviewing them. I think all governments have made a commitment over the last 10 or 15 years to try and have a continuum of care. It doesn't make any sense to me that the day you go into kindergarten, somebody else picks up your health services, Comsoc or through the local board of ed and some of the programs they're able to provide, and then when you're not in the school system you're back into the OHIP system. It's a very, very complicated system; you know that from having been in government.

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We have it all under review, and if we can consolidate and truly have pre-cradle-to-grave services, that real continuum of care, if we can do the patient focus, which is that the dollars follow a patient and not the silos, because by tradition the money sticks in the silos—dialysis is a good example. You could get in-home dialysis machines over the last couple of years if your hospital happened to have money left in that budget, but you couldn't get the hospital.

If you lived in Collingwood, and you were attached to Wellesley as a patient, they didn't have any money to set up a clinic, which would have been more cost-effective than having four dialysis machines in the town of Collingwood. It's not very cost-effective for four patients, and the other eight patients continue to drive to Wellesley

because under the law you can't share machines that are in someone's living room. We need that dialysis money and that's what we're moving towards, to follow the patient, regardless of what institution they might be attached to. So that's it.

Lab services: There is a debate. There's a review that's been ongoing for a long time. The NDP dropped this particular notion about public sector labs were always more cost-effective. When they did their own study they got caught by themselves, actually, and showed that certainly in all cases that wasn't true. So we haven't actually heard them talk about labs for the last year or so, because they inadvertently did a study and they didn't know what the result would be before they got it.

Mr Cleary: I'm pleased you're looking at the under-served areas. The other thing I've been asked is, why did you cut the negotiations process with the Ontario Pharmacists' Association? Did you cut off the negotiations with them?

Hon Mr Wilson: I think there's more we can do with pharmacists in the province. Two times in the last two or three or four years, the process had been overridden. As you know, the process required that a third party, a fact-finder be brought in to set the dispensing fee if either the government or the OPA couldn't agree on setting the dispensing fee, and the NDP overrode that twice.

Just because it was outlined in legislation—it wasn't a very good system. It led to a lot of animosity between the parties, and we're trying to come up with a better approach. In fact, I've asked the OPA—they were coming in last Thursday and I had the flu last Thursday—to discuss a larger role for pharmacists in the province.

We think we can move into therapies and some things that they can help us with in primary care, like asthma therapy and oxygen treatment, at the back of a store by the pharmacy rather than actually having to go to the doctor's office. I want to discuss that with them. These are highly educated people who go to school, university, for some five years to become a pharmacist in this province, and yet the perception, I think unfortunately, by the public, at least by the large volume of letters that all ministers of Health get regarding the cost of a dispensing fee, is that people think they just dispense pills. They are highly trained people and I think we can use them much better in the province and that's the discussion I'm looking forward to having with them.

Mr Cleary: I know my colleague wants to speak but I just want to get on the record about chelation therapy. Are you moving on that or is there anything happening?

Hon Mr Wilson: Again, we don't micro-manage medicine and there is not a recommendation from the College of Physicians and Surgeons to include that in OHIP; in fact they are the opposite. They are fairly strenuous that the side-effects perhaps outweigh the benefits. I'm a layperson and a representative, as you are. Three of my father's best friends swear by it. They're recommending to my father, who's now 67 years of age, that perhaps he should have it. His doctor is recommending he not have it.

Mr Cleary: Six of mine.

Hon Mr Wilson: Six of yours. It is popular, but again the College of Physicians and Surgeons themselves

recommend to the politicians whether or not a particular service should be listed, and they very clearly on this one—because we get a lot of letters on it—have said they are not prepared to recommend to the government that it be listed in OHIP.

Mr Cleary: Some of them would have been buried in 1982 if it hadn't have been for that.

Mr Cordiano: I want to talk about the amalgamations in Metropolitan Toronto. It's coming at the end of the day and I only have 10 minutes, so you'll get off easy. It's only 10 minutes of this. Can you shed some light on which hospitals will be closing?

Hon Mr Wilson: Outside of—

Mr Cordiano: I'm going easy on you here.

Hon Mr Wilson: I appreciate that, Mr Cordiano. Not really. The process we've set up—and again we're very clearly told by hospitals, "We don't trust politicians to do the restructuring." It would have been done over the last 15 years. We wouldn't have 44 wonderful but separate entities called hospitals in Metro Toronto that often, until recent years, did their own thing. Michael Decter last night on TV was pointing out that up until recently they all had their own cafeterias, food services and laundries, and not a lot of sharing of services. Anyway, that's not your question.

Mr Cordiano: No, that isn't my question.

Hon Mr Wilson: You want names. All I can say is what I said to the media this week: I'm encouraged, now that the government—and we've had the courage to do it because this is not a fun thing to be doing—now that we've been absolutely steadfast in spite of some groups saying, "Why don't you back down on hospital restructuring like everyone else?" We've said: "No, we have to go forward. It is the right thing to do." The commission will be arm's length. It will have expertise. It'll have data available to it. It can freely ask the questions that perhaps politicians don't like to ask and they will make the final decisions based on the studies that have been prepared by the local communities to date.

I am encouraged, though, that a number of the hospitals that were named in the initial Metropolitan Toronto study are getting quite creative and are trying to find those administrative savings. We certainly know in the case of Western, for example, that there was a data problem there and they were able, in the final draft, to get themselves off the list for closures.

Mr Cordiano: Are you sort of indicating that you may allow some to stay open?

Hon Mr Wilson: It will be up to the commission. While the ministry provides data on the cost of hospitals, whatever is required, I don't frankly think we have the expertise to make the final decisions. Hospitals are corporations unto themselves. These are their studies along with their communities and they're recommending that for the sake of a system, to actually have a system, some hospitals may have to close. Whether it's the number that's in the final report of the Metro DHC, I don't know. But we certainly expect that in 1996, in fact I hope in the next few months, we will all know exactly what bricks and mortar may close down, but programs and the integrity of programs—

Mr Cordiano: Let's talk about that just for a moment. We don't have a lot of time here.

Hon Mr Wilson: Sure.

Mr Cordiano: As I said in my opening remarks, can you be more specific about moneys you've taken out of the system and you're going to put back in, and to what extent are you refashioning the system so we have more community based care? See, this is where we get into a problem. You're taking something away, you raise people's angst, and what's there to move to fill the void? What are you doing to fill those needs out there that have to be replaced by community based care?

Hon Mr Wilson: Yes, quite a bit of it will. We will see a transference and, as I said, the district health councils—and that's why we call it the Health Services Restructuring Commission because it will have to look at more than just the bricks and mortar of a hospital. It has to look at what reinvestments will be made—

Mr Cordiano: That's right.

Hon Mr Wilson: —into that community to ensure there are enhanced services in that community. At the end of the day, 6,700 hospital beds have been closed in the last five years, the equivalent of 33 mid-size hospitals. We're still heating, cleaning and putting the lights on on a bunch of floors and rooms that don't have any hospital beds in them.

Mr Cordiano: I'm not arguing with you about what has to be done.

Hon Mr Wilson: So we're shedding bricks and mortar and we're enhancing programs by making reinvestments.

Mr Cordiano: That's what I want to know.

Hon Mr Wilson: To date, we've not cut one penny from hospitals. This is on April 1, it's the first year, and so there will be a \$365-million reduction in transfer payments, as Mr Eves has announced, and as we receive the money, and clearly have it in the bank, unlike previous governments, we will then start to reinvest it. We know there are pressures, as I've said, to kickstart some of these other restructurings. The reason it gets a little expensive up front, as you know, is if, in Windsor, for example, you're going to abandon one hospital building and move into two—or is it four to two?

Ms Mottershead: Four to two.

Hon Mr Wilson: Four to two. The two you're moving into or consolidating your services in may need revamped obstetrics wards, may need some renovations and improvement in the physical stock.

Mr Cordiano: You need some startup capital that'll rehabilitate the building.

Hon Mr Wilson: To be perfectly frank, we're going to need perseverance because it's a lot of capital dollars required, and it's more than the ministry ever spent in the best years, to get some of these things started.

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Mr Cordiano: When you're taking something out of the system and you're adding additional costs, you're imposing additional fees on people. I think your comments earlier about it's a small amount of money that's being paid under the drug benefit plan etc, that the \$2 charge is not a lot of money for people, taken alone it may not be a lot of money, but coupled with all the other additional user fees that may be imposed over time,

you're beginning to get a picture of—your party ran on the Common Sense Revolution advocating more purchasing power on behalf of consumers. On the one hand, you're imposing additional fees of all kinds. Where is the additional purchasing power going to come from? It's not there. It's incompatible with what your desired goals are when you're adding all of these additional fees. Yes, we have a deficit problem. Of course we do, and you'll continue to have one.

Hon Mr Wilson: We still will continue to have a very accessible drug plan in the province. In Saskatchewan, your deductible is \$700 every six months, Mr Cordiano. Basically, you may as well not have a drug plan.

Mr Cordiano: Saskatchewan though is not downtown Toronto with the higher costs of living that are associated with living in a place like Toronto and other places in Ontario.

Hon Mr Wilson: We expect, for instance, on low-income seniors, the average senior, the impact over a full year will be \$35. We know from our 42 million scripts exactly how that breaks down pretty well, so it's not even a guess. Obviously, a guess is going to be a little different, but it's less than—it's 0.1% or something of seniors would be hit hard in this. Then again, we have the Trillium plan. If we find it's getting out of hand, we kick people over to the Trillium plan if we have to. We still have the most generous plan, given the enormity, 42 million prescriptions a year and the cost of drugs.

The other option was go to Ottawa and scream bloody murder and say, "You're cutting us by this much money," and that's politics and Mr Harris has said, and I agree, that anything Ottawa can do to get its books in shape, we should help out where we can and that's the approach. We try to take a responsible approach, good for jobs, good for—

Mr Cordiano: The question comes down to, on whose backs is this weighing most heavily? That's really the question. Ultimately, taken in isolation, sure, it's a small amount of money, but added to all the other measures that have been undertaken in Bill 26—

Hon Mr Wilson: Was it fair that a millionaire get free drugs? At least this way, the millionaire is going to have to pay something towards their drugs and low-income seniors are protected.

Mr Barrett: My question relates to the shortage of physicians in small-town and rural Ontario. We know that the gross numbers of physicians have increased considerably over the last 10 years, but there is a serious problem in distribution, in particular for, as you mentioned, 70 communities in Ontario.

When we hear of physician shortages and understaffed emergency rooms and these four-hour round trips for dialysis, we so often think of northern communities, towns like Cochrane or Renfrew in the east. Often I don't think we think of rural areas in southern Ontario. You mentioned the town of Alliston, not more than an hour's drive outside of Toronto and the fact that there's a bit of a problem there with respect to a lack of family practitioners to serve all the residents.

There are similar problems in my riding of Norfolk. I feel there are some comparisons with Simcoe West and some serious problems delivering adequate medical

services. Your ministry has provided data on physician-to-population ratios from the Council of Ontario Faculties of Medicine proposals that an acceptable doctor-to-patient ratio should be something in the order of one physician for every 1,380 people.

In the region of Haldimand-Norfolk, the ratio is one physician to 1,508 people. In Oxford county—Tillsonburg is part of my riding—the ratio is one physician to 1,523. From my estimates, the area is underserved. I see a physician shortage of about 9%, which suggests a lower level of service in my rural area, as with many rural areas, less quality of service than we have been told would be seen in the greater Toronto area, for example.

I want to mention one town as a bit of a case study, and I think it has relevance for other areas in the province: the town of Port Rowan in the township of Norfolk. As of July 1 this year, a physician of long standing will be retiring. This physician has been there for 23 years. At that time, 23 years ago, the town of Port Rowan and that area was designated as underserved. For the past five months, the local government, Mayor Verhoeve of the township of Norfolk, and area residents have conducted a very aggressive campaign to try and lure someone down. They've printed up postcards of the harbour and beautiful Long Point Bay, they've put ads in the Canadian medical journals and notices have been sent to medical schools—unfortunately, to no avail. The Port Rowan Medical Centre has purchased doctors' equipment to have the practice fully stocked for a new general practitioner. But hope is fading. The Haldimand-Norfolk District Health Council has requested an underserved designation.

I just throw this out as a case study, an indication of chronic problems in rural Ontario. I know some measures are being initiated. We have a situation where physicians oftentimes do not wish to move to rural areas or, once the incentives have been used up, they leave again.

In this particular town, when the doctor retires this spring there will be two doctors—one only operates part-time—and that's to service an area of 11,000 residents. I ask you, partly on behalf of my riding, to review the Port Rowan situation, but perhaps more important, to use that as a model for provincial relevance. Again, we're all looking for a permanent solution. We can't have people in a community scrambling to try and fill a gap every time an individual physician moves on or decides to retire. These kinds of temporary measures are really not sustainable and, as you know, it's very stressful in small towns. I know you're working closely with the Ontario Medical Association to reach a solution, but residents of Port Rowan and Alliston really cannot wait more than a year in cases like this.

What process does the ministry see to assist small communities like this, both in the short term and the long term, to address what I consider a very serious problem? It's not a shortage of physicians in Ontario. It's a very serious problem with respect to distribution of physicians across our province.

Hon Mr Wilson: I'm glad you brought forward the example, because it's one that I think we have to explain better to the representatives of the doctors in the province and to medical students who are graduating. We graduate

between 600 and 700 new doctors every year in this province out of five medical schools. If history is our guide, for every eight physicians who have graduated over the past eight years, only one each year would actually go into an area where they're needed, into an area like Port Rowan or Alliston. That is unacceptable, and to med students who've said, "You're really interrupting my life; my girlfriend and I are getting married and we're going to work in Toronto," I have said, "You're not needed in Toronto, and surely to goodness you didn't go to med school planning to go to work in an overserved area. That's immoral." We spend about \$1.6 million to educate these young people, to get them through med school, taxpayers' dollars.

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We have moved with the \$70-an-hour on-call fee, which 67 communities have taken us up on. Some of those are in southern Ontario; they're not all in the north. It's small emergency rooms that have less than 25,000 visits a year; there were four criteria that had to be met. That's been successful.

We've made it very clear as a government that's just one part of our reforming the system. As I said, we're trying to do it in an incentive way to get doctors to go, not in a punitive way.

The short-term solution is for me to make a commitment to you to undertake the application for an underserved area designation that your municipality, I gather from your comments, has submitted. I'll personally look at that.

The 1996 solution is to move aggressively on primary care reform. We've seen the papers today. The OMA has put forward a plan; Dr Wendy Graham has put that forward. We have a number of plans. We want to make it attractive for physicians to practise in rural Ontario.

I think the most famous example, which I use all the time, is Brighton, where the municipality is offering about \$65,000 in incentives on top of the fee-for-service money they'd get from OHIP as a physician and can't get anyone to come. Alliston, you should know, in a worldwide search can't get—we had two physicians, Drs Brenda and John Derjanecz, very good friends of mine, retire last year. They were going to pay the overhead for the first full year of the practice, and they own one of the medical associates' buildings in town. They spent, some months, a few hundred dollars out of their own pockets to put ads in medical journals across the country and North America and still couldn't get anyone to come to Alliston.

The system's wrong. Other provinces have had to deal with it, and we're trying to do it in as positive a way as possible. I will undertake to review your area as soon as I can, but in the medium to long term, the solution is primary care reform, where we encourage more group practices to get down the overhead of some of these individual physicians who tell me they have 40% and 50% overheads. They should be sharing resources in group practices in towns like ours, making it attractive for them to come out to rural Ontario.

Education is important. You should know we are moving on a number of fronts. We're talking to the five deans of the medical schools. They're coming forward, I

hope soon, with proposals on how to improve education. There's actually one small success story, which occurred before I became minister, before we won the last election. After two years of lobbying the previous government, we now have a six-month intern-resident rotation at Collingwood General and Marine Hospital, so the people will spend six months of their training actually out in the field where they'll learn what it's like to be the only physician in the emergency room at 2 o'clock in the morning and develop the skills and the confidence to serve the people and be the only show in town during those hours.

That's a big problem. We are teaching, to a certain degree—I don't think the Health minister is allowed to say this—what I call code medicine. Four physician friends of mine, university friends with whom I've having dinner tonight, tell me, to quote one of them: "We learn the code for the trauma team, the head injury team, the cardiac team. That's the type of emergency medicine we're learning in the teaching hospitals. We know how to push the white phone on the wall, but whether we can handle all those things ourselves, should they appear" in a place like Port Rowan—we have to make sure they have the confidence to do that, and we are working on that front.

Mr Rollins: Thanks, Minister Wilson, for giving us a few minutes to add to those things, because Brighton is very close to me and I realize what they went through.

In our acceptance of medical students to go through school for medicine, can we make sure that those people from outlying areas of Ontario who want to return there will be put on a sort of star list, make sure they have the opportunity to go through med school and graduate so they will return to rural Ontario? I think a lot of people have a misconception about the rural shortage of doctors. It's not northern Ontario always, but areas like Brighton and Campbellford and Trenton and Belleville, places that a lot of people want to live in and are not really hardship areas.

Has the minister ever considered maybe giving people who go into those areas a reduction in Ontario taxes? You could encourage a doctor by giving him an extra few percentage points off on his T4 slip so it would encourage him to go.

I've talked with some of the older doctors in our area who are getting a little long in the tooth, as one of the doctors said, but who still don't want to give up completely. He said: "I wouldn't hesitate. I wouldn't mind taking a couple of short terms in the north when I've had the experience. Instead of sending the young buck," as he called them, "up to the north by himself, where there aren't the trauma numbers to punch and all the benefits sitting right down the street, maybe some of us old geezers could be encouraged to go out there and supplement that for a period of time." He said, "I know that's not going to be all the time, but it's a stopgap measure."

It's probably one of the most fundamental things that all of Ontario is concerned with, and I think there's some other things we need to keep looking at.

One other thing I personally feel is that I do know we graduate a lot of doctors who move immediately south. Most of those doctors do it for one reason and one reason only, and most of it's because of the sun. Not too many

of them move to Buffalo or to Rochester or to North Dakota. Most go to California and Texas and where the sun's a lot warmer. If they have that privilege, that should be, but as an Ontario taxpayer, I feel that I helped educate them. They were in my schools and my tax dollars helped educate them. Maybe we should be looking at, "If you're going to fly off across our borders, maybe you should contribute something back to our education system when you're over there." I think it would be more encouraging for our doctors to stay here in Ontario.

I wonder if any of those thoughts have ever been thought about, Jim.

Hon Mr Wilson: Mr Rollins, they're excellent thoughts, and they have been thought about. Graham Scott's fact-finder report, where we got the \$70-an-hour sessional fee idea from, also talks about a medical corps, much like ROTC, where if we help you, through a bursary program; to go through medical school or whatever, we would expect a return of service for that.

All of this is on the table with the OMA. When I couldn't get people during the first five months as a government to take me seriously about these communities—when you go home, as you do, every weekend and face your constituents, when they know there are enough doctors in the province and they know they're well-paid professionals, and when they say, "What's wrong with our town? Why won't someone come here?" it's very difficult to face those people.

We made specific commitments, the Premier made specific commitments, our party, that we would move, as other governments have. This is an more than 30-year-old problem. It's grown worse in the last five years. I watched, as critic, the problem go from about 50 communities up to the 70 we inherited, and it's really more than 70. It's 70 that are underserved and have the designation or quasi-designation, but there are the towns we're talking about in our ridings that don't quite meet all the stringent criteria for becoming an underserved area program where the physicians get the \$40,000 tax-free grant over four years and all the other tax incentives. They're borderline with respect to the ratios Mr Barrett talked about, but there's still a shortage of physicians.

We're working on it. We've made it serious. Bill 26 certainly signalled to the medical profession that this government is not exactly a hotbed of cold feet and that we will move, because we are there for the patients, as I said in my remarks.

Yes, we want happy providers. We will have happy providers. And the tap to the US is starting to be turned off. I spoke recently with representatives from Columbia, which beats us as the largest health care corporation in North America. We're only \$17.4 billion; they're a managed care organization of \$20 billion in several states. I tell you, you don't get paid at the end of the month if you don't follow the exact clinical guidelines and protocols that appear on your computer screen in your office. It's like having Big Brother looking. Talk about micromanaging medicine. Our doctors are too well trained to thrive in such a restrictive atmosphere, they don't need that much restriction, so you're finding fewer and fewer every year are going.

We've not done anything as a government, and don't let anyone tell you so, to destabilize the relationship in terms of more doctors going to the south, as we've seen in the papers. That's not true. There always is a trickle who go; many come back. A lot of it has to do with the quality of life. If your kids can't be raised in a safe school in a safe city, you'll come back pretty fast. The dollars are usually what attracts them the first time, and then they find out they don't get paid unless they do what the computer tells them to do. They say: "Why did I go to med school? This is not what I trained so hard for."

Mr Frank Sheehan (Lincoln): Do you have some statistics on that, Minister?

Hon Mr Wilson: What was it?

Ms Mottershead: About 1% net.

Hon Mr Wilson: Perhaps I'll let the deputy give you the figures.

Mr Sheehan: Could you maybe publish some of those figures for us? We get beat up big-time.

Hon Mr Wilson: Sure. We have the statistics. The problem is—and I used to do it in opposition—you do get household names who leave once in a while. That is very difficult, when a really good heart surgeon or ortho-

paedic surgeon or something leaves, very difficult. But it's awfully hard to compete, no matter what system we have here, when they're given huge research grants, they become chair of an institute, get clinical grants. I'm not sure we'll ever be able to compete with the sometimes millions of dollars involved in securing one of our physicians if they're a specialist.

But I am confident now that the OMA is coming forward with very serious suggestions. I hope they ratify parts, if not all, of Dr Graham's report. We'll combine it with the reports we have and get moving on this. But 1996 is the year we have to move as a government, because it will take a long time to get doctors out where they're needed, and we're trying to do it in as positive a way as possible.

Mr Rollins: Thanks, Jim. As long as we don't try to bury our head in the sand and say, "Hey, it will fix itself after a certain length of time," but keep working at it, and maybe it's only trying to get one or two out there, but it's that one or two more rather than losing one or two.

The Acting Chair: By unanimous consent, my watch says 6 o'clock.

The committee adjourned at 1652.

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**In attendance / présents*

Substitutions present / Membres remplaçants présents:

Preston, Peter (Brant-Haldimand PC) for Mr Jim Brown

Colle, Mike (Oakwood L) for Mr Michael Brown

Fox, Gary (Prince Edward-Lennox-South Hastings / Prince Edward-Lennox-Hastings-Sud PC) for Mr Clement

Pouliot, Gilles (Lake Nipigon / Lac-Nipigon ND) for Mr Martin

Clerk pro tem / Greffier par intérim: Decker, Todd

Staff / Personnel: Richmond, Jerry; Yeager, Lewis, research officers, Legislative Research Service

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